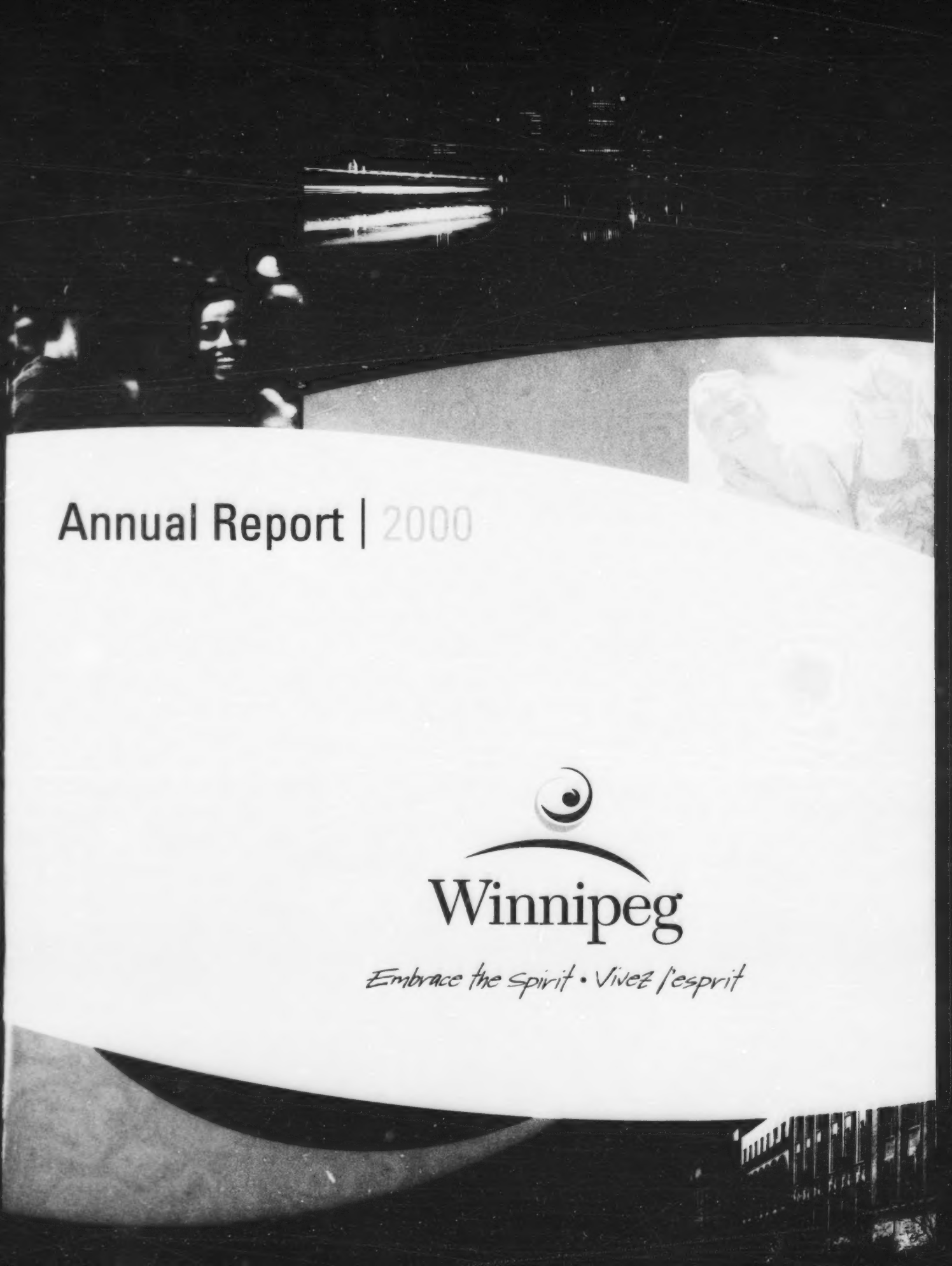

Annual Report | 2000

Winnipeg

Embrace the Spirit • Vivez l'esprit

Winnipeg

Embrace the Spirit • Vivez l'esprit

The new Winnipeg logo captures the spirit, energy and diversity of our City while balancing a sense of our heritage with our progressiveness. It is also an interpretive depiction of our character, our people and our landscape, making it uniquely Winnipeg. Though each person who sees the symbol will ultimately apply their own set of values and meanings, each of the logo elements carries with it a theme that represents Winnipeg.

The two crescents atop the sweeping plane symbolize an embrace reminiscent of the caring, friendly, and welcoming nature of the people here. The depiction of movement in these two elements alludes to the momentum and dynamism that is evident throughout the City. The sweeping line that supports the two crescents represents the vast horizon line and open sky characteristic of Winnipeg.

The red circle in the centre of the logo symbolizes the heart of our community and our people. It is also suggestive of the fact that Winnipeg is located at the centre of the country and the entire continent.

The rich colour palette symbolizes the diversity that exists in our cultures, our seasons and our crisp, clean, beautiful landscapes. As a whole, the graphic resembles a rising sun above the horizon and also mimics the form of a leaping figure. These combined elements depict the energy and momentum of our forward-looking nature, while the positioning line speaks to the strength of our character.

We are a city of the world, with roots in the place we call home, Winnipeg.

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profile of Winnipeg

The Spirit of the New Century: Winnipeg is a thriving, dynamic 21st century city. Located in the very heart of North America, the City exemplifies all the advantages that have led the United Nations to rank Canada's quality of life the highest in the world for seven consecutive years. Open for business, competitive, and affordable, Winnipeg offers an exceptional environment in which to live, work, and play.

Located at the geographic centre of the country, Winnipeg is a hub of the transportation and communications industries—an ideal location for accessing the world's most prosperous markets.

Strategic partnerships and investments are raising Winnipeg's profile and opening up opportunities worldwide. The City has launched "Smart Winnipeg," to foster the growth of its information technology sector, and promote the creation of a cyber village in the Exchange District. The Centre*Venture* Development Corporation is facilitating or financially assisting 38 projects downtown involving a total of $52 million in redevelopment and restoration investments. These and many other economic initiatives are building on the City's existing strengths—including its 24-hour airport and road and rail links that permit delivery of goods anywhere in the world in 48 hours or less.

The Spirit of Enterprise: Winnipeg's economy is the most diverse in Canada. Its agribusiness sector is a global leader. Its aerospace industry is the largest in Western Canada; its apparel industry Canada's third largest. Canada's largest insurance company is located right downtown, and the nation's largest media enterprise is headquartered here as well.

Winnipeg's economic foundation is solid, but that doesn't mean that new things aren't happening every day—things like the growth of film production, which generated approximately $37 million in economic benefit in 1999–2000. Or consider the growth of commercial construction—10% in the year 2000. Winnipeg welcomes new businesses, new residents, and new opportunities.

The Spirit of Community: Winnipeg historically has one of Canada's lowest unemployment rates, and a recent KPMG study showed it is one of the lowest business cost centres in North America and Europe. The City has very competitive hydro rates, office rental, and industrial rental costs.

What's more, it's good to live and work in Winnipeg. Winnipeg managers have identified the City's low cost of living, high standard of living, and excellent work force as major strengths. With three universities, several colleges, and technical centres located in Winnipeg, its work force is also multilingual and highly skilled.

Winnipeg's approximate 630,000 residents—more than half of Manitoba's population—love their City. Its housing prices are among the most affordable of any Canadian city, and it has some of the world's most renowned arts organizations and several professional sports teams.

Whether cheering the Manitoba Moose, applauding the Royal Winnipeg Ballet, or singing along with "Barrett's Privateers" at the Winnipeg Folk Festival, Winnipeggers never lack for spectacle, fun, and a real sense of community.

The City is filled with scenic parks and is only an hour's drive from one of North America's great fresh water lakes, complete with white sandy beaches, fishing, and sailing.

With its natural beauty, cultural treasures, and enterprising spirit, Winnipeg is making the 21st century its own.

message from the Mayor

As a City Council, we want to build a spirit of hope and opportunity. We have been listening to citizens; in 1999 and 2000, consultation was an integral part of all our planning. We know that business people, community leaders, and citizens at large want more affordable government and lower property taxes. We know that they also want infrastructure renewal, economic development, and a safer Winnipeg. They want us to invest in the downtown and in our neighbourhoods.

We are taking action to meet these goals. In December 2000, City Council approved an operating budget that cut property taxes by 2%, for the second year in a row. Winnipeg is one of the few major cities in Canada offering residents a consistently decreasing property tax bill—most other cities are increasing property taxes. Someone with a home valued at $100,000 is now saving $60 annually. Council has also frozen the business tax rate for the sixth year in a row, at 1996 levels. Our municipal taxes are now competitive with other major Canadian cities.

The 2001–2002 City budget achieved savings of $3.5 million by making civic government more efficient. In fact, the City of Winnipeg is one of the most efficient, lowest-cost service providers in Western Canada.

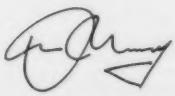
The international credit rating agencies have recognized our progress in achieving affordable government. In their most recent reports, Moody's Investors Service reported that Winnipeg's long-term outlook is positive and very recently upgraded the City to double A3. Standard and Poor's and Dominion Bond Rating Services expressed confidence in our continued fiscal improvement.

Clearly, we are doing things right. But there is more work to be done and, as a Council, we are addressing the long-term economic health of our City. This April, we adopted a financial management plan that commits us to promote economic growth, support a competitive tax environment, control our expenditures, and reduce our debt. At the same time, we are investing in our infrastructure and e-government. As you read this Report, we are developing a Homegrown Economic Strategy to enhance our competitiveness and support Winnipeg businesses. Economic growth—sustainable growth—will benefit the whole community.

New technology is helping us provide better service. As a City, we are committed to becoming a leader in e-government; we recently introduced a new web-based Citizens' Information Service to give Winnipeggers instant access to a wide range of information. Now, citizens can check on everything from snow clearing information to their property assessment, all from home.

There is also an exciting downtown renewal taking place. This is the kind of renewal we need to make our City a place we can all be proud of. Centre*Venture*, our downtown development corporation, is assisting with 38 projects, projects which involve $52 million in redevelopment and restoration. That is a major investment, and a huge vote of confidence in our future. From Red River College's Princess Street campus, to the Ashdown Building, the Paris Building, and the new entertainment complex—our downtown is truly being reborn.

This is simply the best City in the best country in the world. Embrace the spirit of Winnipeg.



Glen Murray
Mayor

message from the Chief Administrative Officer

The Year 2000—a new century, a new millennium. It was also Winnipeg's best year yet.

Each year, my senior management team and I gather together all our City managers to ask just one question: how can we become the best civic administration in Canada?

In 2000, staff responded with a clear commitment to service excellence. Since 1998, the number of citizens who are satisfied or very satisfied with City services has jumped from 78% to 91%. In 2000, Winnipeggers served by civic employees told us that the services they received had been effective (85%), timely (87%), and courteous (92%). Like the employees of any good business, we will build on this progress to achieve real results for the people of Winnipeg.

City Council has made affordability a cornerstone of its economic policy. Once again, in its 2001–2002 operating budget, Council has cut property taxes by 2% (4% in total) and frozen business tax rates. In support of this tax relief, we are continuing to find administrative efficiencies and absorb inflationary and other costs. Winnipeg is now one of the most cost-effective service providers in Western Canada.

We strongly believe that better planning is serving the City well. The three-year budget initiated in 1999 has given us a clearer focus on the longer term. Our first comprehensive Corporate Action Plan 2000–2002 clearly aligns every City service to Council's priorities. We have now completed our second cycle of departmental business planning, and a full review process. And, we have provided support for both the extensive 2001–2002 budget consultation process and the development of the new *Plan Winnipeg*.

Innovation was a strong theme in 2000. The Citizens' Information Service is up and running, opening a new electronic window for Winnipeggers. Our first Special Operating Agency, Animal Services, had a successful first year, and we are planning for more. We completed a full internal services review, to help us make better use of our staff and technological resources. In cooperation with CUPE Local 500, we established an Education, Training and Staff Development Fund to equip the smaller, more highly skilled work force of the future.

All of these innovations and investments will pay dividends in the years to come. In the meantime, our financial picture continues to improve. We have received a $33.3 million refund from the Civic Pension Plan, with further benefits to follow the Plan's restructuring. In 2000, Moody's Investors Service, revised our outlook from stable to positive, and recently upgraded the City from A1 to Aa3. Standard and Poor's, who rated us at AA–, revised our outlook from negative to stable. As a City, our bottom line reflects health and growing strength.

As public servants, though, our bottom line is not just about dollars—it is every bit as much about the quality of service we provide. In 2000, for example, we worked hard to make Winnipeg a safer place. We helped the Working Group on Domestic Violence develop a $1.4 million prevention and response plan, and our Police Service created special units to deal with sex crimes, youth crime, and high-risk offenders.

We were proud, too, to play a part in the renewal that is going on in Winnipeg. Our cross-departmental "DO IT" team provided strong support for Centre*Venture* and downtown development. We opened the Winnipeg Housing and Homelessness Initiative Office, in cooperation with federal and provincial staff. And, our staff worked with citizens of high-risk neighbourhoods to help them develop strategic plans for neighbourhood improvement.

Thank you to City Council for your vision, and to every staff person for embracing the spirit of renewal. While 2000 was Winnipeg's best year yet, I am sure that the very best is yet to come.

Gail Stephens

Gail Stephens
Chief Administrative Officer

101-05885/

message from the Chief Financial Officer

As a result of the combined commitment of Council and staff to make our systems Y2K compliant, The City of Winnipeg entered the new millennium smoothly. As with the start, we also ended the first year of the millennium on a positive note with the City recording net earnings allocated to surplus of $31.6 million and a growth in Reserves of $98.3 million. Approximately $43 million of the growth in Reserves is attributed to a refund of pension contributions for 1998 and 1999 and a contribution holiday taken by the City during 2000. This refund was the result of positive negotiations with the unions whereby the City received the refund and employees received an equivalent increase in benefits.

The growth in Reserves also represents an increase in our capital infrastructure funding. This will allow us to partially cash finance major capital investments such as the water treatment plant which is proposed to be in service in 2006, to redevelop the Pointe du Bois hydroelectric generating station, and construct the disinfection facilities at the North End Water Pollution Control Centre.

In continuing to improve the City's financial performance, Council approved its first three-year budget during 2000 to better manage Winnipeg's government through a longer-term planning horizon. As well, City Council approved the 2001 operating budget—the second year of its three-year budget—before the beginning of the 2001 fiscal year. To provide more affordable government and services that are a priority to Winnipeg's citizens, the 2001 adopted budget: decreased the property tax rate by 2% for the second time—4% in total; froze the business tax rate at 1996 levels; protected front-line essential services; and increased funding for public safety and transit. Council also approved the establishment of the City's first Special Operating Agency (SOA)—'Animal Services' on January 1, 2000. In the next two years, municipal golf courses as well as the Glacial Sand and Gravel, the City's quarry operations, will operate as SOAs.

Council and staff still face many challenges ahead in their commitment to citizens to achieve affordable government. To achieve property tax reductions while maintaining service levels to meet program needs and infrastructure renewal requirements calls for a fundamental transformation in the administration of City government. New systems are a major part of this transformation. On May 31, 2000, the Executive Policy Committee of Council approved a motion to begin developing the business case for systems renewal. Thus the creation of the Connexus project. The Connexus project has the potential to integrate business systems at the City so that information is available in a more timely, integrated and transparent manner. Connexus is a multi-year project with an expected implementation by 2003 subject to confirming the anticipated benefits.

Another major component of transformation is the development and implementation of a Human Resource Strategic Plan which will be presented to Council in 2001. This Plan will deal with issues such as skills-gaps and succession planning. The Plan, along with the agreement reached by The City of Winnipeg and the Canadian Union of Public Employees during 2000 to establish a Human Resource Development Fund will position us to better manage the way we conduct business in the future.

Robert P. Gannon
Chief Financial Officer

a responsive political structure

On January 1, 1972, **The City of Winnipeg Act** came into force creating the new unified City of Winnipeg. The legislation amalgamated a previously fragmented municipal structure of 12 municipalities and the Metropolitan Corporation of Greater Winnipeg into one single unified city government (Unicity). In the last 29 years, the City's political decision-making structure has been both reduced in size and significantly streamlined.

The citizens of Winnipeg are served by 15 full-time Councillors, each representing one ward, and by the Mayor, who is elected at large. They form the Council which is the governing body of the City and the custodian of its powers, both legislative and administrative. Directly under Council are the Executive Policy Committee (EPC), four Standing Committees, as well as community and ad hoc committees.

The City's Organization By-law No. 7100/97 establishes the framework for the administrative and decision-making structure.

The Executive Policy Committee: The Executive Policy Committee (EPC), whose members cannot exceed seven, is chaired by the Mayor, and made up of the Chairpersons of Council's Standing Committees and any other members of Council appointed by the Mayor. EPC's role and mandate is to formulate and present recommendations to Council on policies, plans, budgets, by-laws and any other matters affecting the City as a whole; to ensure the implementation of policies adopted by Council; to coordinate the Standing Committees; and to develop and establish policies relating to civic employees.

Standing Committees: Council is assisted in the discharge of its responsibilities by its Standing Committees. These committees are delegated certain powers and duties and provide policy advice related to their specific responsibilities to Council through EPC. They also provide a forum for public input, and receive recommendations from Community Committees.

The Standing Policy Committees on Planning, Property and Development, Protection and Community Services, and Public Works are responsible for providing policy advice to Council on matters within their respective jurisdictions, as detailed in the chart on the facing page.

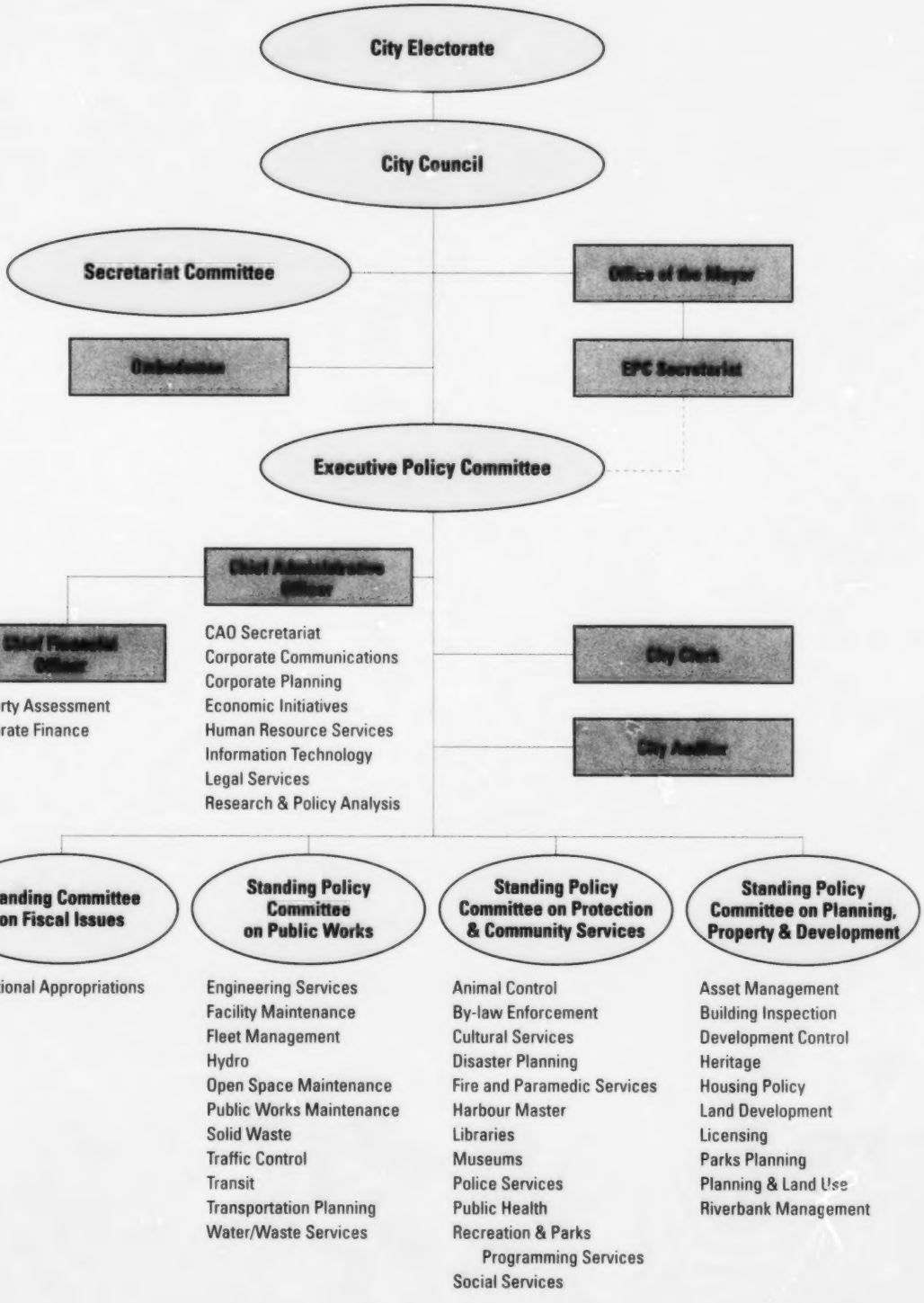
The Standing Committee on Fiscal Issues is responsible for coordinating and advising EPC on the City's fiscal policy development and fiscal strategies.

Chief Administrative Officer: The Organization By-law provides for a Chief Administrative Officer (CAO), reporting directly to EPC. As the senior representative of the civic administration, the CAO is responsible for overseeing implementation of policy established by Council. The CAO also makes policy recommendations and provides information to Council for its deliberation.

A Chief Financial Officer (CFO) reports to the CAO. Both the Corporate Finance and Property Assessment departments report to the CFO.

Other departments reporting directly to the CAO include: Community Services, Corporate Services, Police Service, Fire Paramedic Service, Public Works, Hydro, Transit, Water and Waste, and Planning, Property and Development.

executive and functional organization



2000 council and senior administrators

His Worship
Mayor Glen Murray

John Angus, St. Norbert Ward
Chairperson, Standing Policy Committee on Public Works

Bill Clement, Charleswood–Fort Garry Ward
Chairperson, Standing Committee on Fiscal Issues

Peter De Smedt, St. Charles Ward
Chairperson, Standing Policy Committee on Planning, Property and Development until November 1, 2000

Jae Eadie, St. James Ward
Secretary of Intergovernmental Affairs

Jenny Gerbasi, Fort Rouge Ward
Chairperson, Standing Policy Committee on Protection and Community Services commencing November 1, 2000

Allan Golden, St. Vital Ward
Resigned from Council August 21, 2000

Harry Lazarenko, Mynarski Ward
Deputy Speaker

Mark Lubosch, North Kildonan Ward
Acting Deputy Mayor

Mike O'Shaughnessy, Old Kildonan Ward
Speaker and Chairperson, Secretariat Committee

John Prystanski, Point Douglas Ward

Harvey Smith, Daniel McIntyre Ward

Garth Steek, River Heights Ward

Gord Steeves, St. Vital Ward
Elected to Council October 5, 2000

Lillian Thomas, Elmwood Ward
Deputy Mayor

Shirley Timm-Rudolph, Transcona Ward

Daniel Vandal, St. Boniface Ward
Chairperson, Standing Policy Committee on Protection and Community Services until November 1, 2000; Chairperson, Standing Policy Committee on Planning, Property and Development commencing November 1, 2000

Gail Stephens
Chief Administrative Officer

Robert P. Gannon
Chief Financial Officer

Rick Borland
Director, Winnipeg Transit

Dorothy Browton
City Clerk

Keith Dowdall
Director, Corporate Finance

Jack Ewatski
Chief of Police, Winnipeg Police Service

George Gabriel, Bob Tillotson
Acting Directors, Winnipeg Hydro

Shannon Hunt
City Auditor

Doug Kalcsics
Director, Planning, Property and Development

Leslie King
Director, Corporate Services

Barry MacBride
Director, Water and Waste

Brian Moore
City Assessor

Wes Shoemaker
Chief Operating Officer, Fire Paramedic Service

Ursula Stelman
Director, Community Services

Jim Thomson
Director, Public Works

*em*brace the spirit!

The City's new motto sums up the energetic spirit that defines the character of the people of Winnipeg. The people of this City identify with the qualities of friendliness, involvement, cooperation, volunteerism, community, diversity, and support for one another.

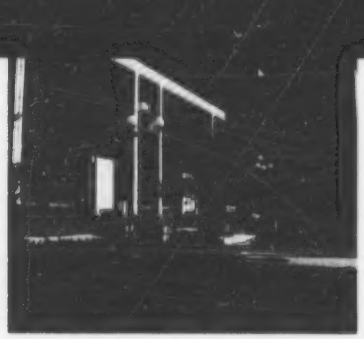
The administration of The City of Winnipeg is committed to providing services that contribute to a vibrant, healthy city that provides a high quality of life for all its citizens.

Plan Winnipeg is a long-term planning document that defines Council's vision for the City. *Plan Winnipeg* identifies the means by which Council, the administration, and the community can work together to achieve Winnipeg's full potential.

Within *Plan Winnipeg's* vision are five chapters which reflect the City's priorities. The chapters are:

- Government and the economy
- Downtown and neighbourhoods
- Planned development, transportation, and infrastructure
- Public safety, health, and education
- Environment, image, and amenities

This Annual Report describes the administrative activities in the Year 2000 in response to the priorities of *Plan Winnipeg*.

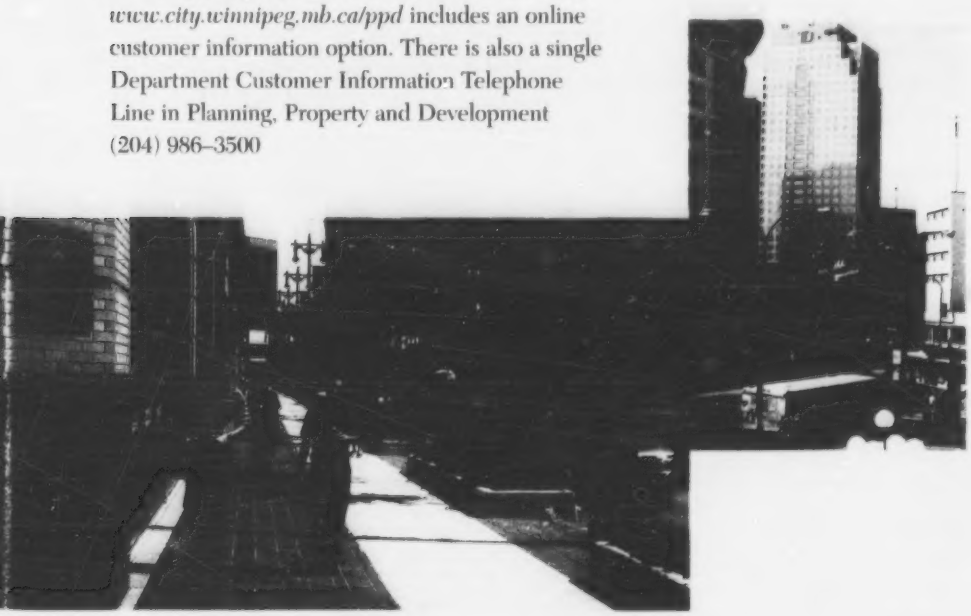


Government and the economy

An effective and efficient local government is important to citizens and contributes to a healthy economy. Through planning, strong accountability, a growing emphasis on performance management, and a high level of attention to the effective management of human and financial resources, physical assets, and information, the administration ensures effective service delivery that is affordable to the taxpayers.

- Neared completion of the restructuring of the Civic Pension Plan. The City has received a refund of 1998 and 1999 pension contributions totaling $33.3 million and, through an interim agreement, will benefit from an ongoing reduction in pension expenses. A governance model, consisting of joint trustees, is anticipated to be implemented in 2002. Under this model, the City and the Plan members will share equally in the management of the Plan. Due to strong investment performance, the Plan has had some of the very best investment returns among Canadian pension plans over the last decade. As a result, the Plan members will be receiving benefit improvements while the City can reduce its contributions
- Transferred $16.5 million of Hydro's profits in 2000 ($17.9 million in 1999) for tax-supported services
- Established, by Council, a number of new Reserves including two Pension Reserves and three Investment Reserves targeted to support a number of high priority Council initiatives. The three Investment Reserves: "Economic Development," "Heritage," and "Housing Rehabilitation" were given $6 million of initial funding
- Grew the assessment roll, contributing to the City's increasing tax base and its financial stability
- Visited 50,396 properties to refresh the property assessment database with current property information
- Issued the realty roll early, allowing first level appeals to be heard before tax bills are generated and thereby protecting the City's financial stability
- Created a special project team to track and process the large dollar value commercial permits outstanding, thereby adding this value to the assessment roll
- Cleared backlog of outstanding assessment appeals; for the first time since the 1987 reassessment, the City is heading into a general reassessment with virtually a clean slate
- Resolved all remaining significant property assessment appeals at the Municipal Board, reducing the fiscal risk of tax refunds in 2001
- Produced the City's first Corporate Action Plan 2000–2002 that aligns all City services to the chapters of *Plan Winnipeg*. This alignment facilitates a linkage between Council's long-term vision and organizational actions
- Completed a second cycle of departmental business planning and a comprehensive review process
- Conducted a comprehensive review of all internal services and implemented organizational changes to bring strategic attention to Human Resource and Information Technology management
- Created a City/CUPE Joint Committee on Education, Training, and Staff Development through a Letter of Understanding. The City is investing $3 million in CUPE staff development over the next two to three years
- Completed research on a profile of clerical staff and the changing nature of clerical work; established two pilot initiatives targeted at enhancing opportunities for clerical staff
- A comprehensive enterprise resource planning system called 'Connexus' is being developed to integrate some of our key business processes

- Established the City's first Special Operating Agency—'Animal Services' on January 1, 2000, and developed a monitoring and reporting process for City SOAs
- Completed testing, approval and implementation of Alternative Service Delivery (ASD) development guidelines
- Completed the feasibility portion of the Fleet Services ASD Study
- Implemented an ASD feasibility study for the Primary Materials operation and completed business plan and selection report sections of the study
- Reviewed the information technology sections of all departmental business plans for consistency with corporate goals and for opportunities to share data and integrate systems
- Developed a number of City Internet and Intranet web sites, establishing the beginnings of e-government:
  - Public Works Internet site at *www.city.winnipeg.mb.ca/publicworks/report* provides an interactive "Report a Problem" feature which connects citizens directly with our Customer Service Centre. One phone call to (204) 986–7623 or an Internet "Report a Problem" request will provide citizens with a connection to any and all of the department's services
  - Planning, Property and Development Internet at *www.city.winnipeg.mb.ca/ppd* includes an online customer information option. There is also a single Department Customer Information Telephone Line in Planning, Property and Development (204) 986–3500
  - The web-based Bid Opportunity System, put into service by the Materials Management Division in 1999, was expanded to provide for posting bid results
  - An electronic Citizen Information Service was developed for the Internet with a link to the Geographic Information System and other property related information
  - The business case was approved for a multi-departmental e-government application service provider project focused on online permits, business licenses, and requests for property based service
  - Introduced Internet service through the Customer Service Centre in the Water and Waste Department
- Developed and implemented an information technology emergency preparedness plan
- Streamlined license fee collection process by implementing the BUILD system in the License Branch of the Community Services Department
- Approximately 250,000 calls from the public taken by the Water and Waste Customer Service Centre (204) 986–5858
- 57,116 calls from the public taken at the Public Works Customer Service Centre (204) 986–7623



downtown and neighbourhoods

The City's goal is to bring people and activity back to our downtown. Through the work of Centre*Venture* and the activities of public and private initiatives, the downtown is beginning to undergo a major revival to once more make it an attractive place to live, work, and play.

The City has also developed a comprehensive housing policy designed to strengthen and enhance neighbourhoods. The programs are based on neighbourhood planning and direction to ensure that supports and services are directly responsive to community needs and priorities.

Citizen satisfaction with City services in the year 2000

In general, how satisfied are you with the services provided by your City?	
Winnipeg citizens	91%

Citizen satisfaction with City services has increased from 78% in 1998 to 91% in 2000.

Top five services out of 25	
Parks and Green Spaces	96%
Fire Protection	95%
Recreation Services	94%
Libraries	92%
Garbage Collection	92%

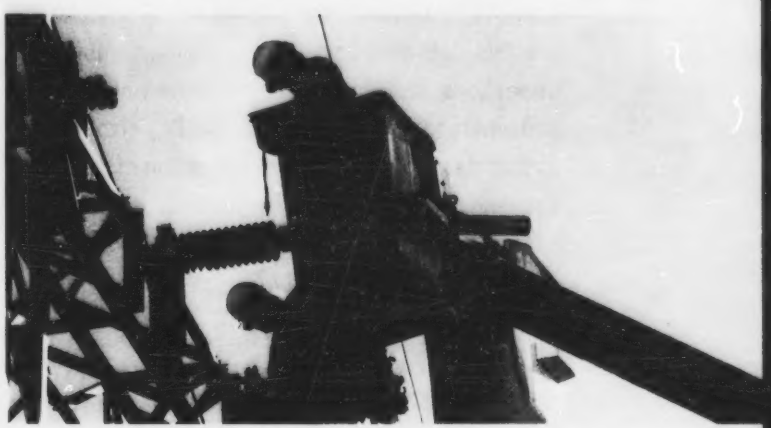
20 of 25 services have over 80% satisfaction.

- Undertook a community consultation process with stakeholders to develop a strategic housing policy and implementation framework adopted by Council
- Opened a Winnipeg Housing and Homelessness Initiative office in cooperation with the federal and provincial governments
- Three new Reserve Funds were created by Council in June of 2000:
  - **The Heritage Investment Reserve Fund** is for all City and City-sponsored heritage programs and acts as a revolving fund so that future funding of heritage programs can be sustained and thereby reduces the need to obtain additional funding. An important source of ongoing funding for the Reserve will be incremental tax revenues that will flow from projects in which the Reserve has invested
  - **The Housing Rehabilitation Investment Reserve Fund** supports City housing programs not provided for in operating budgets. It is intended that this Reserve act as a revolving fund so that incremental tax revenues resulting from housing programs in which the Reserve has invested would be returned to the Reserve to finance future projects
  - **The Economic Development Investment Reserve Fund** is intended to fund City economic development incentive and investment projects. This Reserve invests directly in particular projects rather than be a funding mechanism for programs. The incremental portion of realty and business taxes generated by projects in which the fund has invested will be returned to the Reserve until the original investment has been repaid
- Completed construction of the "Neeginan" Project, a principle component of the North Main Street Development Program
- Identified high-risk neighbourhoods and developed strategic action plans for those with priority needs
- Established an inter-departmental "DO IT" team to facilitate and coordinate service in the downtown
- Established a joint committee with representation from the Historic Buildings Committee and Historic Winnipeg Advisory Committee to facilitate heritage and design approvals for the Red River College Princess Street campus
- Implemented a Community Resource Model that has resulted in effective partnerships with other health and social agencies, and community groups. These partnerships provide enhanced support and seek solutions for social issues impacting inner Winnipeg neighbourhoods. Staff teams are located at community facilities. These City teams work together with neighbourhood resident associations and assist with issue resolution
- Developed a downtown database with detailed property and building information including heritage buildings
- Working with Centre*Venture* and the Historical Buildings Committee to administer Heritage Incentive Programs
- Continuing development of the Community Resource Model directed at ensuring City services are tailored to neighbourhood needs

Planned development, *trans*portation and infrastructure

The City provides many services in this area including access to roads and sidewalks, snow clearing, transit services, urban planning, hydroelectric power, and water and waste services. These are the services which keep the City functioning smoothly.

- Received Council approval, in principle, for the recommendations in "Direction to the Future—The Guide to Better Transit for Winnipeg." As a result, *Plan Winnipeg* includes a transportation framework that contributes to the revitalization of downtown, supports the renewal of older neighbourhoods, improves public safety, and gives priority to transportation investments that are financially and environmentally sustainable
- Established a treatment facility to reduce lead levels in the City's water distribution system
- Received adoption from Council for a Water Treatment Facility for the City's water supply
- Participated in an engineering study on flood defenses and mitigation plans prepared for The International Joint Commission which resulted in recommendations for enhancing the City's flood protection



- Completed the first full year of operation of the Straflo Unit No. 1 at Pointe du Bois generating station, achieving an 8.4% increase in hydroelectric generation
- Increased the Asset Replacement Reserve for Pointe du Bois redevelopment to $19.4 million, an increase of $3 million over last year
- Increased Asset Replacement Reserves to fund future capital projects
- Adopting a six-year Capital budget emphasizing pay-as-you-go and long-term infrastructure renewal

Public safety, health and education

City services focused on public safety include emergency services, fire and medical response, criminal investigations, building standards and inspections, firefighting, crime and injury prevention, and emergency preparedness. The City also contributes to the health and education of our community through health inspections, animal control, and the provision of public library services.

- Achieved significant progress in establishing a working partnership with the Winnipeg Regional Health Authority. This partnership resulted in the hiring of 32 additional paramedics and $1.59 million in additional funding. The filling of 17 other vacant paramedic positions also supported an enhanced ambulance service delivery model for the citizens of Winnipeg
- Achieved significant progress in establishing a working partnership with the Winnipeg Regional Health Authority, the Red Cross, and The Salvation Army in the development of an emergency public aid response
- Completed a Fire Paramedic risk assessment report that optimizes emergency response resource utilization
- Implemented initiatives that will achieve a 10% annual increase in fire inspections performed
- Established fire and accident prevention outreach initiatives in the community and in schools
- Provided significant support across many departments, for the "Building Safer Communities" initiative. The Anti-Arson Hotline (986–1000) operated by the Public Works Customer Service Centre took 982 calls
- Established revisions to Winnipeg Police Service Division #21:
  - created a Sex Crimes Unit which coordinates and investigates serious sexual assaults
  - selected a Youth Crime and Issues Coordinator to liaise with community agencies and focus on issues related to youth crime
  - selected a Vulnerable Persons Coordinator who liaises with various community and mental health agencies/service providers
  - created a High Risk Offenders Unit to notify the public when sex offenders return to a particular community
  - created a Child Exploitation Unit which deals with issues of child pornography and the growth of Internet exploitation of children

- The Police Service has created a Family Violence Intervention Team. Focusing on prevention, this new program consists of one detective and one social worker. This team investigates potentially high-risk domestic incidents where police have responded once and no charges have yet been laid
- Included basic safety education and crime prevention techniques and strategies on the Winnipeg Police Service web site for easy access by all citizens
- Implemented a call routing system to ensure the effective and efficient use of police resources
- The Winnipeg Committee for Safety is a citizen's committee dedicated to addressing City-wide safety concerns. In 2000, the committee listened to Winnipeggers in four Community Conversations, secured $120,000 in Winnipeg Development Agreement funding to begin addressing community needs; and launched a Safety Tool Box designed to equip neighbourhoods for their own safety initiatives

- 32,000 fire and rescue responses
- 173,000 '911' calls received
- over 253,000 calls for police service
- over 63,000 crimes investigated
- 10,000 participants in community crime prevention presentations
- 24,600 lane km of street snow plowing
- 14,000 km of sidewalk snow plowing
- 6,500 food handling establishment inspections
- 12,000 premises inspected by Environmental Health Officers
- 27,000 properties inspected by fire, health and building inspectors working together
- 5.4 million library items circulated
- over 21,000 square metres of graffiti removed city wide

contributing to the *health and education* of our *community*

environment
image and amenities

The City recognizes the need to provide a high quality of life through both natural and built environments that provide opportunities for year-round recreational and leisure activities. The City provides access to parks, open spaces and urban forests, the Assiniboine Park Zoo, and recreation for children and youth.

Other services under this chapter include residential recycling and garbage collection. These services enhance our lives as citizens, improve our attractiveness as a destination for visitors, and create the potential for the City to host major events.

- Continued work with over 35 community groups to supplement park maintenance and improvements resulting in more attractive parks and neighbourhoods with an enhanced sense of community pride and ownership
- Participated again in the "Communities in Bloom" national competition. This program promotes environmental awareness and is designed to involve communities in improving the visual appeal of Canadian cities
- Conducted tree planting programs with community groups to enhance the natural habitat along rivers and streams
- Continued delivery of the Dutch Elm Disease Program to protect mature elms which contribute to Winnipeg's unique character and beauty
- Administered the construction of riverbank stability restoration at five sites along the Red River
- 231,764 tonnes of garbage collected from residences and apartments
- 23,943 tonnes of recyclables were collected through the blue box and depot programs
- Increased revenue from recyclables from $1.2 million in 1999 to $3 million in 2000 by identifying new markets for the sale of recyclable materials
- 393,656 (three-year average) annual visits to Assiniboine Park Zoo
- 229,067 rounds of golf played on municipal courses

Winnipeg recognizes **the need to provide a** *high quality of life* **through** *natural* **and** *built environments*

Plan Winnipeg 2020 vision receives second reading in 2000

Throughout 1999, an ad hoc Committee of Council undertook a comprehensive review of the City's long-range policy plan, *"Plan Winnipeg... toward 2010."* In the spring of 2000, the review committee completed its work and submitted its recommendations to the Executive Policy Committee in the form of a new plan entitled *"Plan Winnipeg... 2020 Vision"* which was subsequently granted first reading by Council on May 11, 2000. Some of the key points contained in this Plan and the more significant changes from the current plan can be summarized as follows.

Vision

- The vision statement has been explained in more detail, providing a definition of quality of life as determined through public consultation

Demographics

- The outlook for Winnipeg is presented from a broader perspective than in the past, one which includes economic as well as demographic considerations
- The outlook identifies potential population growth through in-migration, the result of a well-performing economy and low unemployment rate

Principles

- Guiding principles have been expanded to include the concept of compact urban form (in support of sustainability) and the need to do benefit/cost analysis for development proposals

Municipal Role

- Discussion about the various roles of civic government in meeting the policy direction of the Plan has been added

Indicators

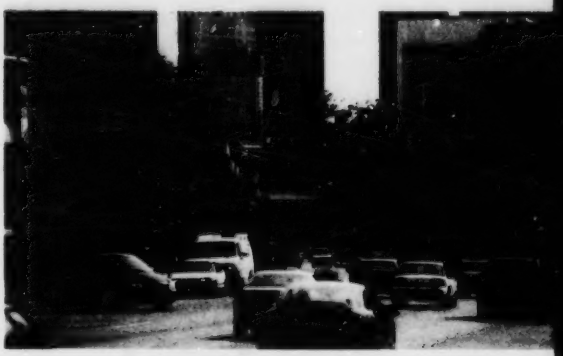
- Each chapter begins with a few key indicators that will be measured over time to provide insight into the effectiveness of the policies

Downtown

- "Downtown first" philosophy is introduced including the need to consider the effect on the downtown when reviewing development proposals
- The direction provided by CentrePlan and the role of Centre*Venture* have been added including strong support for increased residential population in the downtown

Neighbourhoods

- There is continued support for neighbourhood revitalization with an emphasis on housing, including the use of tax increment financing and tax credit programs
- Neighbourhoods targeted for revitalization efforts have been identified on a new Policy Plate



Government

- There is a renewed commitment to citizen engagement in decision making
- Included is a commitment to sustainable practices and to the reduction of greenhouse gas emissions through the promotion of compact urban form and energy efficiency including a reduced dependency on auto use
- There is a commitment to look at core services and to explore alternative service delivery

Economic Development

- The focus is primarily on local economic development and export enhancement
- There is a continued commitment to supporting local businesses, encouraging them to grow
- The concept of considering the provision of fibre optic infrastructure to promote a "smart" city has been introduced
- There is support for the creation of a capable and flexible workforce by promoting life-long learning

Planned Development

- A strong commitment to compact urban form and mixed land use has been added
- With respect to the Capital Region, the door is open to the possibility of a regional association of municipalities while recognizing Winnipeg's central role
- The concept of benefit/cost analysis in the evaluation of new developments has been introduced
- A new policy recognizes that large institutions such as universities and hospitals are unique and can support a large variety of uses
- Grant Park Shopping Centre is no longer recognized as a regional retail centre but the McGillivray/Kenaston intersection has been added as a new one
- Regional commercial centres are now identified in their "general areas" and not site specific in recognition of the changing dynamics of retail development
- The Policy Plate on Land Use (Plate A) has been changed to convert: a portion of North St. Boniface from Neighbourhood to Major Open Space, the area west of the perimeter and south of Highway 1 from Rural to Neighbourhood, the Bishop Grandin/Waverley intersection to Industrial from Neighbourhood, a portion of the West Kildonan Industrial from Rural to Neighbourhood, and the St. Boniface stock yards from Industrial to Neighbourhood

Transportation and Infrastructure

- There is a commitment to accommodating bicycles and pedestrians through bike lanes and pathways
- Maintenance of existing infrastructure continues to be the highest priority for investment
- The Plan recognizes that transit use is more consistent with the concept of sustainability and ought to be considered as such when investing in new infrastructure
- There is a commitment to evaluating the merits of investment in new infrastructure through benefit/cost analysis
- The Policy Plates for Transit and Streets from the previous plan have been combined as a Transportation Plate (Plate B) and shows 20-year commitments for major new infrastructure
- An additional Transportation Plate (Plate C) has been added to show the general transportation concept plan beyond the year 2020

Public Safety

- There is a renewed commitment to ongoing community policing efforts including working closely with communities
- The Plan looks more broadly at safety in order to integrate safety-related activities in all civic functions
- The Plan commits to securing civic-owned vacated lands and buildings

Education

- The library's expanding role in providing electronic access to information is recognized

Environment

- The Plan commits to providing safe pest and weed control
- There is a renewed commitment to encouraging the protection and preservation of sensitive lands

Implementation

- The Plan commits to integrating *Plan Winnipeg* policies into major decision-making processes
- There is a commitment to performance measurement and reporting regularly on progress and achievements against the policies in the Plan
- There is a commitment to reviewing the Plan with each new term of Council

On June 12, 2000, the Executive Policy Committee held a public hearing on the new Plan in accordance with requirements under **The City of Winnipeg Act**. At the conclusion of the public hearing, the Plan was referred to the Administration to review and report back with comments to a Special Meeting of the Executive Policy Committee. Subsequently, the Plan was resubmitted to Council and was granted second reading on October 25, 2000.

The Plan now requires approval from the Province of Manitoba. Following a report from the Minister of Intergovernmental Affairs, the Plan is expected to receive third and final reading by City Council in the fall of 2001.

***Plan Winnipeg* Review Committee**

Councillor Dan Vandal, Chair
Councillor Jae Eadie
Councillor Jenny Gerbasi
Councillor Mark Lubosch
Councillor John Prystanski

Plan Winnipeg... 2020 Vision: recommendations for the City's *long-range outlook*

message from the Director of Corporate Finance

In accordance with **The City of Winnipeg Act**, the Director of Corporate Finance, in his role as City Treasurer, is required to submit to Council and to the Minister responsible for the Act, an audited report covering the annual financial statements. These financial statements include the consolidated results of The City of Winnipeg, comprising the General Tax-supported Funds, the Reserve and Service Funds, City-owned Utilities, Special Operating Agency, and wholly-owned Corporations.

The Consolidated Financial Statements of The City of Winnipeg provide important information about the overall financial condition of the City. They form a comprehensive financial picture used by Council and senior levels of government, as well as by other interested readers including the citizens of Winnipeg, private investors, credit rating agencies, other municipalities, and the media.

During 2000, The City of Winnipeg recorded consolidated revenues of $1,077 million (1999–$1,043 million) and consolidated expenses of $948 million (1999–$974 million). The net result was a $31 million (1999–$27 million) increase in Surpluses and a $98 million (1999–$42 million) growth in Reserves. The $31 million Surplus is mainly attributed to the utility funds: Sewage Disposal System; Waterworks System; Winnipeg Hydro; and Solid Waste Disposal, which recorded strong operating results totalling $18 million (1999–$9 million). Meanwhile, the $98 million increase in Reserves over the prior year is largely the result of the five new Reserves that were created during 2000. The Pension Surplus ($33 million), Pension Stabilization ($10 million), Heritage Investment ($5 million), Housing Rehabilitation Investment ($3 million), and the Economic Development Investments ($3 million) Reserves grew by $54 million during the year.

The City's continued strong financial results, improved financial liquidity, pension plan surpluses, and replenishment of Reserves are contributing factors that reflect the City's commitment to improve its financial position. This has resulted in two credit rating agencies revising their credit rating outlook for the City. Moody's Investors Service from New York, who rate the City at A1, revised the City's outlook from stable to positive and Standard & Poor's, who rate the City at AA–, revised the City's outlook from negative to stable.

During 2000, two debenture issues totalling $130 million matured with sinking fund deficiencies. Approximately $80 million will be refinanced at a later date. We also successfully reopened the Series VW debentures for Winnipeg Hydro and issued a further $30 million of debentures at a cost of 6.661% for a 29-year term. Under our current capital plan, all future tax-supported projects will be either financed internally through the Equity in Capital Assets Fund, pay-as-you-go, or by Reserves. Therefore, as previously approved debt-financed capital projects reach completion, the level of tax-supported debt is expected to peak in 2002 and subsequently decline in future years.

To more accurately portray the financial results of The City of Winnipeg, this is the first year our statements were prepared showing the segregation of consolidated net earnings between Surpluses and Reserves. We also changed the name of the General Reserve to the Equity in Capital Assets Fund to better reflect the nature of the fund, which is used to internally finance capital projects. This is also the first year the statements reflect a reclassification of Reserves which include the Stabilization and Special Purpose Reserves but now include a new category, Capital Reserves to better identify that the funds are earmarked for future capital projects. As well, our new auditors, Ernst & Young LLP, reconfirmed that our financial statements were prepared based on Canadian generally accepted accounting principles.

In closing, I would like to thank all those who have contributed to the preparation of this Annual Report and these consolidated financial statements, including the CAO Secretariat's Office, Senior Management, and in particular, staff within the Corporate Finance Department.

Respectfully submitted,

R. Keith Dowdall

R. Keith Dowdall
Director of Corporate Finance

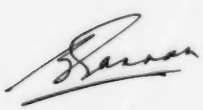
Responsibility for Financial reporting

The accompanying Consolidated Financial Statements and all other information contained in this Annual Report are the responsibility of the management of The City of Winnipeg. The preparation of periodic financial statements involves the use of estimates and approximations because the precise determination of financial information frequently depends on future events. These Consolidated Financial Statements have been prepared by management within reasonable limits of materiality and within the framework of Canadian generally accepted accounting principles.

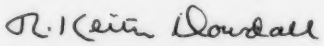
In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

Prior to their submission to Council, the Consolidated Financial Statements are reviewed and approved by the Audit Committee—the Mayor, the Deputy Mayor, and the Chairpersons of Council's Standing Committees. In addition, the Audit Committee meets periodically with management and with both the City's internal and external auditors to approve the scope and timing of their respective audits, to review their findings and to satisfy itself that their responsibilities have been properly discharged. The Committee is readily accessible to external and internal auditors.

Ernst & Young LLP, Chartered Accountants, as the City's appointed external auditors, have audited the Consolidated Financial Statements. The Auditors' Report is addressed to the Mayor and members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the Consolidated Financial Statements are free of material misstatement and present fairly the financial position and results of operations of the City in accordance with Canadian generally accepted accounting principles.



Robert P. Gannon
Chief Financial Officer



R. Keith Dowdall
Director of Corporate Finance

Auditors' report

To the Mayor and Members of City Council of
The City of Winnipeg

We have audited the consolidated statement of financial position of **The City of Winnipeg** as at December 31, 2000 and the consolidated statements of operations and surplus, reserve funds and cash flows for the year then ended. These consolidated financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of **The City of Winnipeg** as at December 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The financial statements for the preceding year were audited by other chartered accountants.

Ernst & Young LLP

Winnipeg, Canada,
April 12, 2001

Chartered Accountants

Consolidated Statement of Financial Position

As at December 31 (in thousands of dollars)	2000	1999
Assets		
Current		
Cash and short-term investments	$ 384,837	$ 273,818
Accounts receivable (Note 3)	120,189	132,852
Inventories and supplies	15,557	15,594
Prepaid expenses	1,575	1,356
	530,158	423,620
Long-term investments (Note 4)	78,637	62,254
Capital assets (Note 5)	1,162,741	1,193,753
Deferred charges (Note 6)	3,440	3,289
	$ 1,774,976	$ 1,682,916
Liabilities		
Current		
Notes payable (Note 7)	$ 177,377	$ 97,182
Accounts payable and accrued liabilities (Note 8)	145,962	158,810
Deferred revenue	6,131	6,715
Current portion of long-term debt (Note 9)	46,227	49,360
	375,697	312,047
Long-term debt (Note 9)	741,192	854,101
Other liabilities (Note 10)	41,049	34,267
Retirement allowance and vacation liabilities (Note 11)	96,928	92,313
	1,254,866	1,292,728
Commitments and contingencies (Note 12)		
Equity		
Reserves (Note 13)	278,964	180,619
Surplus (Note 14)	241,146	209,569
	520,110	390,188
	$ 1,774,976	$ 1,682,916

See accompanying notes to the consolidated financial statements

Approved on behalf of the Audit Committee:

Glen Murray
Mayor

Bill Clement
Chairperson, Fiscal Issues Committee

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Consolidated Statement of Operations and Surplus

For the years ended December 31 (in thousands of dollars)	2000	1999
Revenues		
Taxation (Note 15)	$ 488,334	$ 485,786
Sales of services and regulatory fees (Note 16)	409,474	402,968
Government grants and transfers (Note 17)	92,530	96,318
Pension refund, land sales, and other revenue	47,169	25,265
Interest	39,291	32,629
Total Revenues	1,076,798	1,042,966
Expenses		
Utility operations	320,327	335,857
Protection and community services	227,520	238,014
Public works	210,818	212,198
General government	61,833	63,199
Finance and administration	52,883	50,810
Property and development	46,929	47,822
Civic corporations	26,566	26,576
Total Expenses	946,876	974,476
Net earnings before allocation to Reserves	129,922	68,490
Allocated to Reserves	(98,345)	(41,856)
Net earnings allocated to surplus	31,577	26,634
Surplus, beginning of year	209,569	182,935
Surplus, end of year	$ 241,146	$ 209,569

See accompanying notes to the consolidated financial statements

Consolidated Statement of Reserve Funds

For the years ended December 31 (in thousands of dollars)	2000	1999
Add		
Transfer from operating and capital funds	$ 95,417	$ 41,695
Taxation	34,654	29,259
Interest	12,865	9,127
Other revenue	9,527	17,771
	152,463	97,852
Deduct		
Expended during the year		
Transfer to operating and capital funds	45,259	48,209
Expended from Reserves	8,859	7,787
	54,118	55,996
Allocated from operations	98,345	41,856
Opening balance	180,619	138,763
Closing balance	$ 278,964	$ 180,619

See accompanying notes to the consolidated financial statements

Consolidated Statement of Operations and Surplus

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Closing balance	$ 278,964	$ 180,619

See accompanying notes to the consolidated financial statements

Consolidated Statement of Cash Flows

For the years ended December 31 (in thousands of dollars)	2000	1999
Net inflow (outflow) of cash related to the following activities:		
Operating		
Net earnings allocated to surplus	$ 31,577	$ 26,634
Allocated to Reserves	98,345	41,856
	129,922	68,490
Non-cash charges to operations		
Amortization	92,879	86,911
Amortization of debenture discount	2,144	1,949
Amortization of foreign exchange	—	853
Interest on funds on deposit with The Sinking Fund Trustees of The City of Winnipeg ("The Sinking Fund Trustees")	(16,813)	(17,760)
Other	9,114	(409)
Working capital from operations	217,246	140,034
Net change in working capital other than cash assets	(12,084)	30,999
	205,162	171,033
Financing		
Debenture and serial debt issues	30,000	80,000
Debenture and serial debt retired	(138,345)	(9,657)
Sinking fund investments applied to debt redemption	49,053	1,667
Sinking fund debenture installments	(39,477)	(38,603)
Other	45	6,241
	(98,724)	39,648
Investing		
Purchase of capital assets	(82,454)	(125,596)
Government of Canada capital grants	303	1,189
Province of Manitoba capital grants	19,971	27,790
Purchase of investments	(13,454)	(19,926)
	(75,634)	(116,543)
Increase in cash assets	30,804	94,138
Cash assets, beginning of year	176,656	82,518
Cash assets, end of year	$ 207,460	$ 176,656
Components of Cash Assets		
Cash and short-term investments	$ 384,837	$ 273,818
Notes payable	(177,377)	(97,162)
	$ 207,460	$ 176,656

See accompanying notes to the consolidated financial statements

Consolidated Statement of Cash Flows

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	$ 207,460	$ 176,656

See accompanying notes to the consolidated financial statements

Notes to the Consolidated Financial Statements

As at December 31, 2000 (in thousands of dollars, except as noted)

1. Status of The City of Winnipeg

The City of Winnipeg ("the City") is a single-tier municipality created on January 1, 1972 pursuant to **The City of Winnipeg Act**, a statute of the Legislature of the Province of Manitoba ("the Province"). The City provides municipal services such as police, fire, ambulance, public works, urban planning, parks and recreation, library, and other general government operations. The City owns and operates a number of public utilities, has several designated special purpose reserves and provides funding support for other financial entities involved in economic development, recreation, entertainment, convention, tourism, and housing activities.

The City is required by **The Public Schools Act** to bill, collect, and remit provincial education support levies in respect of residential and other properties on behalf of the Province, and school division special levies on behalf of school divisions. The City has no jurisdiction or control over the school divisions' operations or their mill rate increases and therefore, the financial statements of the school divisions do not form part of the City's consolidated financial statements.

2. Summary of Significant Accounting Policies

The preparation of periodic financial statements necessarily involves the use of estimates and approximations because the determination of financial data frequently depends upon future events. These consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles, within reasonable limits of materiality. The significant accounting policies are summarized as follows:

a) Consolidation principles and basis of presentation

The consolidated financial statements of the City include the assets, liabilities, reserves, surpluses/deficits, revenues, and expenses of those City funds and governmental functions or entities which have been determined to comprise a part of the aggregate City operations based upon ownership or control exercised by the City. Interfund and intercorporate balances and transactions have been eliminated except for amounts related to services offered commercially including utility charges. In 2000, six new funds (*) were added. The consolidated financial statements include the following:

General Capital Fund
General Revenue Fund
General Revenue Enterprises Fund
Special Purpose Reserves:
- Contributions in Lieu of Land Dedication Reserve
- Land Operating Reserve
- Recreation Programming Reserve
- Zoo Purposes Reserve
- Snow Clearing Reserve
- Idea Bank Reserve
- Commitment Reserve
- *Pension Surplus Reserve
- *Pension Stabilization Reserve
- *Heritage Investment Reserve
- *Housing Rehabilitation Investment Reserve
- *Economic Development Investment Reserve
- Perpetual Maintenance Fund–Brookside Cemetery
- Perpetual Maintenance Fund–St. Vital Cemetery
- Perpetual Maintenance Fund–Transcona Cemetery
- Workers Compensation Reserve
- Insurance Reserve

Capital Reserves:
- Equipment Replacement Reserve
- Watermain Renewal Reserve
- Zoo Animals Reserve
- Combined Sewer Renewal Reserve
- Wastewater Sewer Renewal Reserve
- Water Treatment Reserve
- Environmental Projects Reserve
- Brady Landfill Site Rehabilitation Reserve
- Golf Course Reserve
- Library Reserve
- Transit Bus Replacement Reserve
- Concession Equipment Replacement Reserve
- Computer Replacement Reserve
- Aqueduct Rehabilitation Reserve
- Pointe du Bois Generating Station Redevelopment Reserve
- Water Treatment Reserve (Sinking Fund)
- Brady Landfill Site Rehabilitation Reserve (Sinking Fund)

Stabilization Reserves:
- Mill Rate Stabilization Reserve
- Fiscal Stabilization Reserve

Retirement Allowance Reserve
Equity in Capital Assets
Winnipeg Hydro
Transit System
Waterworks System
Sewage Disposal System
Solid Waste Disposal System
Equipment and Material Services
Fire Paramedic Service–Ambulance
Civic Accommodations Fund
Public Works Fund
Winnipeg Public Library Board
The Convention Centre Corporation
Tourism Winnipeg Incorporated
Economic Development Winnipeg
Winnipeg Enterprises Corporation (May 31st Year End)
Winnipeg Housing Rehabilitation Corporation (March 31st Year End)
*Animal Services–Special Operating Agency

The pension and group life insurance funds of the City are administered on behalf of the pension and group life insurance plan participants by the Employee Benefits Board for the payment of pensions and life insurance benefits and accordingly are not included in the consolidated financial statements. In addition, certain trust funds and their related operations administered by the City are not included in the consolidated financial statements.

Separate financial statements for each of the above-noted entities, including the pension, group life insurance and trust funds, are included in the 2000 Detailed Financial Statements Report, a companion document to the City's 2000 Annual Report and Consolidated Financial Statements.

2. Summary of Significant Accounting Policies (continued)

b) Basis of accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the creation of a legal obligation to pay. Revenue from land sales is recorded in accordance with accounting principles used within the real estate industry.

c) Short-term investments

Short-term investments consist of bankers' acceptance and term deposits and are recorded at cost, which approximates their quoted market value. These investments have varying maturities up to March 19, 2001.

d) Inventories

Inventories are recorded at the lower of cost and net realizable value.

e) Long-term investments

Bonds and debentures are carried at amortized cost. Discounts and premiums arising on the purchase of these investments are amortized over the remaining terms to maturity with annual amortization computed at amounts which, when combined with actual income received, result in a constant effective yield on the amortized book value.

Bond residues and coupons are carried at cost, plus accrued interest. Interest is accrued on the book value of the investments at a rate equivalent to the effective yield of each investment.

f) Capital assets

Capital assets, including land, financed by debt are recorded at the amount of the related outstanding obligations. These assets are amortized at an amount equal to the principal repayments of the debt. Assets financed by debentures that are retired prior to maturity are amortized over the remaining expected useful life of the asset. Capital assets in Winnipeg Hydro are recorded at cost and are amortized on a straight-line basis over their expected useful lives. In general, other assets are expensed in the year of purchase.

Cost includes certain interest and overhead expenses incurred during the period the asset is acquired, constructed or developed. Contributions in aid of construction are recorded as a reduction in the cost of the capital asset.

g) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. Capital assets acquired under a capital lease are recorded at the amount of the related obligation. These capital leases are amortized based upon the principle portion of the capital lease payments. All other leases are accounted for as operating leases and the related lease payments are charged to expense as incurred.

h) Assessment appeal costs

The City has accrued a liability in these financial statements to reflect the amount of future payments related to the 1998–2001 assessment period, net of certain assessments, which will be deferred and amortized over the balance of the reassessment period.

i) Debenture discounts and issue expenses

Issue expenses are charged to operations in the year of the related debenture issue and discounts on debentures issued are amortized over the life of the debenture.

j) Other deferred charges

The cost of certain initiatives that are long-term in nature and/or provide future economic or operational benefits to the City are deferred and amortized over the future periods to which they relate.

3. Accounts Receivable

	2000	1999
Property, payments-in-lieu and business taxes receivable	$ 48,333	$ 47,332
Allowance for property, payments-in-lieu and business tax arrears	(3,399)	(5,769)
	44,934	41,563
Trade accounts and other receivables	72,646	67,406
Province of Manitoba	9,630	21,628
Government of Canada	3,519	4,479
Allowance for doubtful accounts	(2,540)	(2,226)
	83,255	91,289
	$ 128,189	$ 132,852

4. Long-Term Investments

	2000	1999
Marketable securities		
Government of Canada bonds, bond residues and coupons	$ 46,688	$ 35,118
Province of Manitoba bonds, bond residues and coupons	28,541	22,302
	75,229	57,420
Other investments	3,408	4,834
	$ 78,637	$ 62,254

The aggregate market value of marketable securities at December 31, 2000 was $82.4 million (1999–$62.0 million).

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	2000	1999
Marketable securities		
Government of Canada bonds, bond residues and coupons	$ 46,688	$ 35,118
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	75,229	57,420
Other investments	3,408	4,834
	$ 78,637	$ 62,254

The aggregate market value of marketable securities at December 31, 2000 was $82.4 million (1999 - $62.0 million).

5. Capital Assets

	2000	1999
Tax-supported municipal structures, facilities and initiatives:		
Streets and bridges	$ 289,274	$ 305,372
Core area initiative and other special projects	175,628	172,446
Civic accommodations, equipment and other property	106,963	108,759
Land drainage sewers	72,979	78,888
Culture and recreation facilities	63,497	64,389
Protection facilities	36,302	37,079
Public transportation vehicles and facilities	32,074	33,573
Local improvements	9,824	11,728
Health and social development facilities	7,481	8,473
	794,022	820,505
Self-supporting entities:		
Hydro generation and distribution facilities	187,465	177,138
Sewage collection, treatment and disposal facilities	110,246	119,483
Water supply and distribution facilities	62,392	67,473
Solid waste collection and disposal facilities	8,616	9,154
	368,719	373,248
	$ 1,162,741	$ 1,193,753

Capital assets are stated at cost less accumulated amortization. Accumulated amortization at December 31, 2000 is $982.4 million (1999- $887.4 million).

6. Deferred Charges

	2000	1999
Deferred debenture discounts	$ 2,643	$ 2,144
Other deferred charges	797	1,145
	$ 3,440	$ 3,289

Deferred charges are stated net of accumulated amortization.

7. Notes Payable

	2000	1999
Civic Employees' Pension Plan	$ 105,800	$ 66,171
Winnipeg Police Pension Plan	37,025	22,942
The Sinking Fund Trustees of The City of Winnipeg	28,698	5,112
Civic Employees' Group Life Insurance Plan	5,845	2,925
Council Members' (Pre-1972) Pension Plan	9	12
	$ 177,377	$ 97,162

The City finances short-term borrowing requirements from related entities at market rates of interest.

These notes are callable by the issuers.

8. Accounts Payable and Accrued Liabilities

	2000	1999
Accrued liabilities	$ 74,335	$ 74,457
Trade accounts payable	42,444	45,599
Accrued interest payable	29,183	38,754
	$ 145,962	$ 158,810

9. Long-Term Debt

Sinking fund debentures outstanding						2000	1999
Term		Maturity Date	Rate of Interest	Series	By-Law No.		
1990–2000		Nov. 05	11.750	VK	5552/90	$ —	$ 65,000
1990–2000		Nov. 05	11.775	VK	5553/90	—	65,000
1992–2002		Feb. 19	8.875	VM	5838/92	100,000	100,000
1988–2003	(1)	Feb. 23	10.250	VF	4783/88	100,000	100,000
1993–2003		May 19	8.500	VP	6163/93	125,000	125,000
1991–2004		Nov. 01	10.000	VL	5779/91	38,275	38,275
1990–2005		Oct. 01	11.700	VI	5507/90	68,093	68,093
1999–2009		Feb. 02	5.350	VV	7368/99	50,000	50,000
1989–2009		Dec. 14	10.000	VH	5286/89	100,000	100,000
1993–2013		Feb. 11	9.375	VN	6090/93	100,000	100,000
1994–2014		Jan. 20	8.000	VQ	6300/94	100,000	100,000
1995–2015		May 12	9.125	VR	6620/95	100,000	100,000
1997–2017		Nov. 17	6.250	VU	7000/97	50,000	50,000
1999–2029		Feb. 02	5.900	VW	7369/99	30,000	30,000
2000–2029		Feb. 02	5.900	VW	7582/00	30,000	—
Amount of debt						991,368	1,091,368
Equity in Sinking Fund						(353,101)	(345,859)
Net sinking fund debentures outstanding						638,267	745,509

Notes to the Consolidated Financial Statements

5. Capital Assets

	2000	1999
Tax-supported municipal structures, facilities and initiatives:		
Streets and bridges	$ 289,274	$ 305,372
Core area initiative and other special projects	175,526	172,446
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The City finances short-term borrowing requirements from related entities at market rates of interest.

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8. Accounts Payable and Accrued Liabilities

	2000	1999
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1991–2004	Nov. 01	10.000	VL	5779/91	38,275	38,275
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1989–2009	Dec. 14	10.000	VH	5286/89	100,000	100,000
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1999–2029	Feb. 02	5.900	VW	7369/99	30,000	30,000
2000–2029	Feb. 02	5.900	VW	7582/00	30,000	—
Amount of debt					991,368	1,091,368
Equity in Sinking Fund					(353,101)	(345,859)
Net sinking fund debentures outstanding					638,267	745,509

9. Long-Term Debt (continued)

	2000	1999
Balance carried forward	638,257	745,509
Other long-term debt outstanding		
Serial and installment debt issued by the City with varying maturities up to 2007 and a weighted average interest rate of 5.39% (1999–5.40%)	80,656	89,000
Mortgages and bank loans incurred by Winnipeg Enterprises Corporation and Winnipeg Housing Rehabilitation Corporation with varying maturities up to 2020 and a weighted average interest rate of 9.00% (1999–8.93%)	41,881	41,811
Capital lease obligations (Note 9b)	26,615	27,141
	787,419	903,461
Current portion of long-term debt	(46,227)	(49,360)
	$ 741,192	$ 854,101

(1) retractable issue

Long-term debt to be retired over the next five years:

	2001	2002	2003	2004	2005	2006+
Sinking fund debentures	$ —	$ 100,000	$ 225,000	$ 38,275	$ 68,093	$ 560,000
Other long-term debt	10,201	11,046	11,276	11,944	12,505	92,180
	$ 10,201	$ 111,046	$ 236,276	$ 50,219	$ 80,598	$ 652,180

a) **The City of Winnipeg Act** requires the City to make annual payments to The Sinking Fund. The City is currently paying 3% or greater on its outstanding sinking fund debentures. These annual payments are invested by The Sinking Fund for the retirement of the debenture issues on their maturity dates.

Sinking fund debenture issues provide for full sinking fund at maturity except for the following debentures which, as a result of the levies being provided and the terms of the issues, will have sinking fund deficiencies requiring the issues to be refinanced at maturity.

Year of Maturity	Debenture By-law	Issued Amount	Maturity Shortfall
2002	5838/92	$ 100,000	$ 43,400
2003	6163/93	125,000	55,124
2009	7368/99	50,000	30,981

The following sinking fund debentures matured during the year and had sinking fund deficiencies. As anticipated, they will be refinanced at a later date.

Year of Maturity	Debenture By-law	Issued Amount	Maturity Shortfall
2000	5552/90	$ 65,000	$ 40,473
2000	5553/90	65,000	40,473

9. Long-Term Debt (continued)

b) Future minimum lease payments under the capital leases together with the balance of the obligation due under the capital leases are as follows:

		Capital Leases
2001	$	2,931
2002		3,288
2003		2,962
2004		3,059
2005		3,016
Thereafter		46,565
Total future minimum lease payments		61,821
Less: amount representing interest at a weighted average rate of 9.46%		(35,206)
Capital lease liability	$	26,615

c) Certain City of Winnipeg debentures are held as investments in the two pension plans for the employees of the City, as follows:

	2000	[illegible]
Civic Employees' Pension Plan	$ 42,065	$ [illegible]
Winnipeg Police Pension Plan	5,200	[illegible]
	$ 47,265	$ [illegible]

d) Interest on long-term debt recorded in the Statement of Operations in 2000 was $110.3 million (1999–$107.9 million).

e) Cash paid for interest during the year was $119.9 million (1999–$105.8 million).

10. Other Liabilities

	2000	[illegible]
Deferred:		
Other deferred liabilities	$ 24,571	$ [illegible]
Developer deposits	6,308	[illegible]
Development agreement paybacks	2,312	[illegible]
Provision for steam plant demolition	858	[illegible]
	34,049	[illegible]
Environmental liabilities (Note 18a)	8,000	[illegible]
Accrued liability recorded in the Fund's financial statements	(1,000)	—
	7,000	[illegible]
	$ 41,049	$ [illegible]

9. Long-Term Debt (continued)

	2000	1999
Balance carried forward	638,267	745,509
Other long-term debt outstanding		
Serial and installment debt issued by the City with varying maturities up to 2007 and a weighted average interest rate of 5.39% (1999–5.40%)	80,656	89,000
Mortgages and bank loans incurred by Winnipeg Enterprises Corporation and Winnipeg Housing Rehabilitation Corporation with varying maturities up to 2020 and a weighted average interest rate of 9.00% (1999–8.93%)	41,881	41,811
Capital lease obligations (Note 9b)	26,615	27,141
	787,419	903,461
Current portion of long-term debt	(46,227)	(49,360)
	$ 741,192	$ 854,101

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Other long-term debt	10,201	11,046	11,276	11,944	12,505	92,180
	$ 10,201	$ 111,046	$ 236,276	$ 50,219	$ 80,598	$ 652,180

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b) Future minimum lease payments under the capital leases together with the balance of the obligation due under the capital leases are as follows:

		Capital Leases
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2003		2,962
2004		3,059
2005		3,016
Thereafter		46,565
Total future minimum lease payments		61,821
Less: amount representing interest at a weighted average rate of 9.46%		(35,206)
Capital lease liability	$	26,615

c) Certain City of Winnipeg debentures are held as investments in the two pension plans for the employees of the City, as follows:

	2000	1999
Civic Employees' Pension Plan	$ 42,065	$ 51,875
Winnipeg Police Pension Plan	5,200	6,400
	$ 47,265	$ 58,275

d) Interest on long-term debt recorded in the Statement of Operations in 2000 was $110.3 million (1999–$107.9 million).

e) Cash paid for interest during the year was $119.9 million (1999–$105.8 million).

10. Other Liabilities

	2000	1999
Deferred:		
Other deferred liabilities	$ 24,571	$ 18,121
Developer deposits	6,308	5,656
Development agreement paybacks	2,312	2,531
Provision for steam plant demolition	858	959
	34,049	27,267
Environmental liabilities (Note 18a)	8,000	7,000
Accrued liability recorded in the Fund's financial statements	(1,000)	—
	7,000	7,000
	$ 41,049	$ 34,267

11. Retirement Allowance and Vacation Liabilities

	2000	1999
Retirement allowance–accrued obligation	$ 65,165	$ 60,844
Unamortized net actuarial loss	(2,134)	—
Retirement allowance–accrued liability	63,031	60,844
Vacation	33,897	31,469
Retirement allowance and vacation liabilities	96,928	92,313
Accrued liability recorded in the Funds' financial statements	(5,225)	(4,379)
Retirement allowance and vacation (Note 14)	$ 91,703	$ 87,934

a) Under the retirement allowance plan (including certain sick leave credits) for the majority of employees of the City, unused sick leave credits accumulate and employees with specified minimum service requirements become entitled to a cash payment upon retirement, death or termination of service under certain conditions (not resignation). This liability was actuarially calculated as at December 31, 2000. The liability excludes $2.1 million of net actuarial losses that will be amortized on a straight-line basis over 12.7 years, the expected average remaining service life of the employee group, beginning in the year following the year of occurrence of the actuarial gains or losses.

b) Employees accrue vacation credits, which together with unused holidays from previous years, generally become a charge to operations in the year that they are earned.

12. Commitments and Contingencies

The following significant commitments and contingencies existed at December 31, 2000:

a) The City has entered into a number of lease agreements mainly for the lease of accommodations for civic offices and office equipment. Future minimum lease payments are as follows:

	Operating Leases
2001	$ 4,171
2002	3,379
2003	2,499
2004	1,025
Thereafter	1,150

b) The City is defendant in six significant lawsuits as at December 31, 2000. At this time the ultimate liability is not determinable. Other contingent liabilities consisting of routine claims for street and sidewalk accidents, property damage, etc. will be accounted for as revenue or expense in the period which the settlement occurs.

c) The City has also unconditionally guaranteed the payment of principal and interest on capital improvement loans for several community centres and the Winnipeg Enterprises Corporation. The outstanding balance on these loans as at December 31, 2000 is $16.1 million (1999–$12.4 million).

d) The City operates its workers compensation program on a self-insured basis. In lieu of paying premiums to the Workers Compensation Board of Manitoba, the City pays actual costs incurred plus an administration charge. The City has a responsibility regarding future costs (such as compensation, rehabilitation, medical aid, pension awards, and administration) on existing claims and incurred but not reported claims. The amount of this liability at December 31, 2000 is estimated at $1.4 million (1999–$3.0 million). A reserve amount of $4.2 million (1999–$4.2 million) has been provided for in respect of this liability.

13. Reserves

Consolidated reserves consist of the following restricted reserves established under section 338 of **The City of Winnipeg Act**:

	2000	1999
Water Treatment Reserve	$ 39,493	$ 26,420
Pension Surplus Reserve	33,398	—
Fiscal Stabilization Reserve	24,761	13,582
Equipment Replacement Reserve	23,695	24,139
Pointe du Bois Generating Station Replacement Reserve	19,447	16,402
Combined Sewer Renewal Reserve	16,958	15,842
Environmental Projects Reserve	18,259	11,373
Pension Stabilization Reserve	9,530	—
Insurance Reserve	9,347	8,580
Watermain Renewal Reserve	7,901	8,080
Perpetual Maintenance Fund–Brookside Cemetery	7,810	7,232
Commitment Reserve	7,073	7,814
Mill Rate Stabilization Reserve	6,443	5,170
Transit Bus Replacement Reserve	6,142	1,055
Land Operating Reserve	6,083	6,110
Aqueduct Rehabilitation Reserve	5,446	4,855
Snow Clearing Reserve	4,603	4,359
Heritage Investment Reserve	4,471	—
Workers Compensation Reserve	4,236	4,215
Housing Rehabilitation Investment Reserve	3,326	—
Economic Development Investment Reserve	3,257	—
Retirement Allowance Reserve	2,988	2,505
Library Reserve	2,227	1,682
Contributions in Lieu of Land Dedication Reserve	2,060	2,759
Golf Course Reserve	1,460	1,167
Idea Bank Reserve	1,369	1,273
Wastewater Sewer Renewal Reserve	980	540
Brady Landfill Rehabilitation Reserve	855	632
Recreation Programming Reserve	664	666
Zoo Animals Reserve	567	675
Zoo Purposes Reserve	554	473
Perpetual Maintenance Fund–St. Vital Cemetery	402	367
Computer Replacement Reserve	380	168
Perpetual Maintenance Fund–Transcona Cemetery	264	261
Concession Equipment Replacement Reserve	168	159
	276,637	178,555
Other Reserves:		
Winnipeg Housing Rehabilitation Corporation Reserves	1,970	1,735
Winnipeg Enterprises Corporation		
–Reserve for Major Improvements	357	329
	$ 278,964	$ 180,619

11. Retirement Allowance and Vacation Liabilities

	2000	1999
Retirement allowance–accrued obligation	$ 65,165	$ 60,844
Unamortized net actuarial loss	(2,134)	—
Retirement allowance–accrued liability	63,031	60,844
Vacation	33,897	31,469
Retirement allowance and vacation liabilities	96,928	92,313
Accrued liability recorded in the Funds' financial statements	(5,225)	(4,379)
Retirement allowance and vacation (Note 14)	$ 91,703	$ 87,934

a) Under the retirement allowance plan (including certain sick leave credits) for the majority of employees of the City, unused sick leave credits accumulate and employees with specified minimum service requirements become entitled to a cash payment upon retirement, death or termination of service under certain conditions (not resignation). This liability was actuarially calculated as at December 31, 2000. The liability excludes $2.1 million of net actuarial losses that will be amortized on a straight-line basis over 12.7 years, the expected average remaining service life of the employee group, beginning in the year following the year of occurrence of the actuarial gains or losses.

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	Operating Leases
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2002	3,379
2003	2,499
2004	1,025
Thereafter	1,150

b) The City is defendant in six significant lawsuits as at December 31, 2000. At this time the ultimate liability is not determinable. Other contingent liabilities consisting of routine claims for street and sidewalk accidents, property damage, etc. will be accounted for as revenue or expense in the period which the settlement occurs.

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Fiscal Stabilization Reserve	24,761	13,582
Equipment Replacement Reserve	23,695	24,139
Pointe du Bois Generating Station Replacement Reserve	19,447	16,402
Combined Sewer Renewal Reserve	16,958	15,842
Environmental Projects Reserve	18,259	11,373
Pension Stabilization Reserve	9,530	—
Insurance Reserve	9,347	8,580
Watermain Renewal Reserve	7,901	8,080
Perpetual Maintenance Fund–Brookside Cemetery	7,810	7,232
Commitment Reserve	7,073	7,814
Mill Rate Stabilization Reserve	6,443	5,170
Transit Bus Replacement Reserve	6,142	1,055
Land Operating Reserve	6,083	6,110
Aqueduct Rehabilitation Reserve	5,446	4,855
Snow Clearing Reserve	4,603	4,359
Heritage Investment Reserve	4,471	—
Workers Compensation Reserve	4,236	4,215
Housing Rehabilitation Investment Reserve	3,326	—
Economic Development Investment Reserve	3,257	—
Retirement Allowance Reserve	2,988	2,505
Library Reserve	2,227	1,682
Contributions in Lieu of Land Dedication Reserve	2,060	2,759
Golf Course Reserve	1,460	1,167
Idea Bank Reserve	1,369	1,273
Wastewater Sewer Renewal Reserve	980	540
Brady Landfill Rehabilitation Reserve	855	632
Recreation Programming Reserve	664	666
Zoo Animals Reserve	567	675
Zoo Purposes Reserve	554	473
Perpetual Maintenance Fund–St. Vital Cemetery	402	367
Computer Replacement Reserve	380	168
Perpetual Maintenance Fund–Transcona Cemetery	284	261
Concession Equipment Replacement Reserve	168	159
	276,637	178,555
Other Reserves:		
Winnipeg Housing Rehabilitation Corporation Reserves	1,970	1,735
Winnipeg Enterprises Corporation –Reserve for Major Improvements	357	329
	$ 278,964	$ 180,619

14. Surplus

Consolidated surplus consists of the following individual fund surpluses/(deficits):

	2000	1999
Appropriated		
Equity in Capital Assets	$ 221,039	$ 201,265
Sewage Disposal System	10,262	6,868
Waterworks System	3,394	2,472
General Capital Fund	1,101	1,046
	235,796	211,671
Unappropriated		
Winnipeg Hydro	39,876	33,834
Sewage Disposal System	31,627	31,012
Solid Waste Disposal	11,964	7,752
Waterworks System	11,699	8,461
The Sinking Fund Trustees of The City of Winnipeg	6,119	7,000
General Revenue Enterprises Fund	3,294	3,396
Economic Development Winnipeg	411	334
Transit System	218	2,581
The Convention Centre Corporation	61	(344)
Winnipeg Public Library Board	56	56
Tourism Winnipeg Incorporated	26	39
Animal Services–Special Operating Agency	(149)	—
Equipment and Material Services	(378)	(438)
Winnipeg Housing Rehabilitation Corporation	(771)	(851)
	104,053	92,832
	339,849	304,503
Environmental liabilities (Note 10)	(7,000)	(7,000)
Retirement allowance and vacation (Note 11)	(91,703)	(87,934)
	$ 241,146	$ 209,569

15. Taxation

	2000	1999
Municipal and school property taxes	$ 716,467	$ 703,810
Payments-in-lieu of property (municipal and school) and business taxes	53,353	53,965
	769,820	757,775
Payments to Province and school divisions	(380,905)	(368,983)
Net property taxes and payments-in-lieu of property and business taxes available for municipal purposes	388,915	388,792
Business tax and license in lieu of business tax	55,974	55,730
Local improvement and frontage levies	27,504	26,154
Electricity and gas sales taxes	13,725	13,054
Amusement tax and mobile home license	2,216	2,056
	$ 488,334	$ 485,786

The property tax roll includes school taxes of $353.0 million (1999–$340.4 million) assessed and levied on behalf of the Province of Manitoba and school divisions. Payments in lieu of school taxes assessed in 2000 totalled $28.0 million (1999–$28.5 million) and are treated the same as school taxes. School taxes and payments in lieu of school taxes are remitted to the Province and school divisions based upon a formula and schedule set by the Province of Manitoba. When property taxes are reduced due to an assessment reduction the City is compelled by legislation to refund both the municipal and school taxes with applicable interest.

16. Sales of Services and Regulatory Fees

	2000	1999
Water sales and sewage services	$ 143,569	$ 144,596
Electricity sales	118,897	117,944
Other sales of goods and services	75,085	70,361
Transit fares	46,788	45,425
Regulatory fees	25,135	24,642
	$ 409,474	$ 402,968

17. Government Grants and Transfers

	2000	1999
Province of Manitoba grants:		
Tax sharing	$ 44,824	$ 44,517
Ambulance, libraries and other	27,526	21,808
Unconditional	19,588	19,588
Transit	16,339	16,339
Support	7,492	7,911
Social assistance	—	9,196
Services transferred to the Province (Note 21)	(23,500)	(23,500)
	92,269	95,859
Government of Canada grants:		
Canada Mortgage and Housing Corporation	181	396
Dutch elm disease program, job training and other	80	63
	261	459
	$ 92,530	$ 96,318

18. Measurement Uncertainty

a) Environmental Liabilities

In 2000, the City has accrued an overall liability for environmental matters in the amount of $8.0 million (1999–$7.0 million) which represents management's best estimate of this liability. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

b) Winnipeg Hydro Cost Sharing Agreement

Under a cost sharing agreement with Manitoba Hydro, Winnipeg Hydro is supplied with the power required in excess of its generating capacity. The agreement term ended March 31, 2000. Until arrangements are finalized, Winnipeg Hydro continues to operate under the terms of the previous agreement. Negotiation of a revised and/or extended agreement has commenced. It is reasonably possible that the recognized cost of electricity purchased during the year of $40.7 million could change by a material amount in the near term.

19. Pension Costs and Obligations

a) Civic Employees' Pension Plan

An actuarial valuation of both the Regular Account and the Supplementary Account under the Civic Employees' Pension Plan was made as of January 1, 2000 by Western Compensation & Benefits Consultants. The assumptions used by the actuary were approved by the Employee Benefits Board as best estimates of possible future experience for purposes of preparing this note to the financial statements. The demographic assumptions were chosen after a detailed analysis of past experience. The economic assumptions reflect expected long-term market conditions. This valuation was extrapolated to December 31, 2000 to determine the actuarial present value of accrued pension benefits disclosed below.

For the Regular Account, the actuarial present value of accrued benefits was determined using the projected benefit method pro-rated on services. The present value of the accrued pension obligations and the pension fund assets available to meet these obligations are as follows:

Notes to the Consolidated Financial Statements

14. Surplus

Consolidated surplus consists of the following individual fund surpluses/(deficits):

	2000	1999
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Sewage Disposal System	10,262	6,888
Waterworks System	3,394	2,472
General Capital Fund	1,101	1,046
	235,796	211,671
Unappropriated		
Winnipeg Hydro	39,876	33,834
Sewage Disposal System	31,627	31,012
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	339,849	304,503
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Retirement allowance and vacation (Note 11)	(91,703)	(87,934)
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Other sales of goods and services	75,085	70,361
Transit fares	46,788	45,425
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	$ 409,474	$ 402,968

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Dutch elm disease program, job training and other	80	63
	261	459
	$ 92,530	$ 96,318

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In 2000, the City has accrued an overall liability for environmental matters in the amount of $8.0 million (1999–$7.0 million) which represents management's best estimate of this liability. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

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19. Pension Costs and Obligations

a Civic Employees' Pension Plan

An actuarial valuation of both the Regular Account and the Supplementary Account under the Civic Employees' Pension Plan was made as of January 1, 2000 by Western Compensation & Benefits Consultants. The assumptions used by the actuary were approved by the Employee Benefits Board as best estimates of possible future experience for purposes of preparing this note to the financial statements. The demographic assumptions were chosen after a detailed analysis of past experience. The economic assumptions reflect expected long-term market conditions. This valuation was extrapolated to December 31, 2000 to determine the actuarial present value of accrued pension benefits disclosed below.

For the Regular Account, the actuarial present value of accrued benefits was determined using the projected benefit method pro-rated on services. The present value of the accrued pension obligations and the pension fund assets available to meet these obligations are as follows:

19. Pension Costs and Obligations (continued)

	2000	1999
Pension fund assets, at actuarial value	$ 2,215,728	$ 2,260,118
Accrued pension obligations	$ 1,815,291	$ 1,665,434

Funds from the Supplementary Account may only be used to provide cost of living adjustment to pensioners. The actuarial value of net assets will be used to fund cost of living adjustments already granted to pensions in payment plus future refunds of contributions to the Supplementary Account and future cost-of-living increases for retirees and current employees, as follows:

	2000	1999
Cost of living adjustments already granted	$ 110,113	$ 96,573
Future cost of living increases	364,929	259,083
	$ 475,042	$ 355,656

The most recent actuarial valuation for funding purposes as at January 1, 2000, disclosed an actuarial surplus in the Regular Account of $178 million which has yet to be allocated and a contingency reserve in the amount of $84 million.

i) Restructuring Towards Joint Trusteeship

On December 15, 1999, City Council and all of the unions representing The City of Winnipeg employees in the Plan approved the restructuring of the Employee Benefits Program, which includes the Civic Employees' Pension Plan. The Program is expected to become jointly trusteed, with current and future surpluses or deficits being shared equally between the City and Plan members. The City's share of the surplus will be available to finance contribution holidays or reductions of its contributions. The Plan members' share of the surplus will be available to improve benefits or reduce Plan members' contributions. The proposed restructuring of the Program will likely require legislative amendments to **The City of Winnipeg Act** and Court approval, and is subject to the approval of regulatory authorities, which approvals and amendments have yet to be received.

Under the restructured Program, plan benefits are expected to be improved, with retroactive application to January 1, 2000, utilizing approximately $157 million of the Plan members' share of the actuarial surplus disclosed in the December 31, 1998 actuarial valuation of the Program.

Under the restructured Program, the contribution rate for The City of Winnipeg and participating employers will not exceed 8% of pensionable earnings, whereas under the existing provisions, Plan members contribute at the required rate and the employer is responsible for the balance of costs as determined by the Plan's actuary.

ii) Interim Arrangement

To facilitate the implementation of certain benefit improvements to Plan members and provide access to contribution holidays to the City, on November 22, 2000, City Council and all of the Unions representing employees in the Employee Benefit Program approved an amendment to the Program in accordance with the terms of an Interim Arrangement effective January 1, 2000.

Under the Interim Arrangement, the Plan members were provided with an interim allocation of actuarial surplus, as determined at December 31, 1998, in the amount of $150 million to finance benefit improvements. The residual portion of the allocation not yet used for benefit improvements is accounted for in a newly created Plan Members' Account.

In the event Joint Trusteeship is not accomplished, the benefit improvements related to future service would cease on December 31, 2002, and benefits would accrue thereafter based on the former plan provisions, unless alternate agreements are reached.

The City and participating employers were provided with an interim allocation of actuarial surplus, as determined at December 31, 1998, in the amount of $150 million to finance future contribution holidays below matching levels and refund of 1998 and 1999 employer contributions. The portion of this allocated surplus which remains unutilized is accounted for in a newly created City Account.

To the extent that the City and participating employers contribute to the Plan and the Civic Employees' Long Term Disability Plan at less than matching levels for any year, transfers in the amount of the difference will be made to the Regular and Supplementary Accounts as required to reflect this contribution subsidy.

In 2000, the City made no contributions to the Civic Employees' Pension Plan. The balance of the City Account as at December 31, 2000 is $131 million.

b) Winnipeg Police Pension Plan

An actuarial valuation of both the Regular Account and the Supplementary Account under the Winnipeg Police Pension Plan was made as of December 31, 1999 by Western Compensation & Benefits Consultants. The assumptions used by the actuary were approved by the Police Pension Board as best estimates of possible future experience for purposes of preparing this note to the financial statements. The demographic assumptions were chosen after a detailed analysis of past experience. The economic assumptions reflect expected long-term market conditions. This valuation was extrapolated to December 31, 2000 to determine the actuarial present value of accrued pension benefits disclosed below.

For the Regular Account, the actuarial present value of accrued benefits was determined using the projected benefit method pro-rated on services. The present value of the accrued pension obligations and the pension fund assets available to meet these obligations are as follows:

19. Pension Costs and Obligations (continued)

	2000	1999
Pension fund assets, at actuarial value	$ 549,950	$ 494,477
Accrued pension obligations	$ 431,966	$ 400,747

Funds from the Supplementary Account may only be used to provide cost of living adjustment to pensioners. The actuarial value of net assets will be used to fund cost of living adjustments already granted to pensions in payment plus future refunds of contributions to the Supplementary Account and future cost-of-living increases for retirees and current employees, as follows:

	2000	1999
Cost of living adjustments already granted	$ 24,922	$ 21,380
Future cost of living increases	52,865	48,497
	$ 77,787	$ 69,877

The most recent actuarial valuation of the Winnipeg Police Pension Plan for funding purposes, as at December 31, 1999, disclosed an actuarial surplus in the Regular Account of $85 million. The surplus has not been allocated, pending the approval of specific provision to allocate surplus arising subsequent to January 1, 1995. Negotiations are taking place concerning the allocation of this surplus.

In 2000, contributions made by the City to the Winnipeg Police Pension Plan were $5.0 million (1999–$5.0 million).

c Councillors' Pension Plan

On November 2, 1992, the pension plan provided to members of Council was terminated, thereby not allowing new members to be accepted to the plan and current members being entitled to receive retirement benefits once they become eligible. These benefits are recorded when paid. The unrecorded benefits liability at December 31, 2000 has been estimated to be $3.7 million (1999–$3.7 million). In 2000, the City paid out $0.3 million (1999–$0.3 million).

d Group Life Insurance Plan

Employees of the City who are members of the Civic Employees' Pension Plan and the Winnipeg Police Pension Plan must become members of the Civic Employees' Group Life Insurance Plan and the Police Employees' Group Life Insurance Plan respectively. These plans provide life insurance coverage for members while employed and coverage can be continued into retirement at the employees' option. Plan members and the City share the cost of basic life insurance coverage. An actuarial valuation indicated that this post-retirement liability is fully funded.

20. Property and Liability Insurance

The City purchases comprehensive insurance coverage for property and liability with a self-insured retention level of $250 thousand per claim for most of the policies. The City has established an Insurance Reserve Fund that enables the City to carry a large self-insured retention level which mitigates the effect of poor claims experience in any given year. The balance of the reserve as at December 31, 2000 is $9.3 million (1999–$8.6 million).

21. Discontinued Operations

In November 1996, the Province of Manitoba passed legislation covering the transfer of social assistance programming from The City of Winnipeg to the Province. On February 24, 1999, Council, for The City of Winnipeg, approved the transfer of the program. The municipal social assistance program was transferred on April 1, 1999, on a cost neutral basis.

22. Comparative Figures

Certain of the prior year's figures have either been restated or reclassified to conform with the current year's financial statement presentation.

23. Subsequent Events

a Winnipeg Police Pension Plan

On March 21, 2001, City Council along with the Winnipeg Police Association and Winnipeg Police Senior Officers Association approved an interim agreement and change to the Winnipeg Police Pension Plan whereby, the City ceases contributions to the Plan to ten bi-weekly pay periods effective January 1, 2001, and an amount equal to the contributions not made by the City will be transferred from the Regular Account to the Supplementary Account to increase the funding of future cost-of-living adjustments to Plan members.

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On November 22, 2000, City Council adopted the policy that effective January 1, 2001, a Council Pension Plan be created for all members of Council for The City of Winnipeg which is consistent with the Civic Employees' Pension Plan.

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Pension fund assets, at actuarial value	$ 2,215,728	$ 2,260,118
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Cost of living adjustments already granted	$ 110,113	$ 96,573
Future cost of living increases	364,929	259,083
	$ 475,042	$ 355,656

The most recent actuarial valuation for funding purposes as at January 1, 2000, disclosed an actuarial surplus in the Regular Account of $178 million which has yet to be allocated and a contingency reserve in the amount of $84 million.

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On December 15, 1999, City Council and all of the unions representing The City of Winnipeg employees in the Plan approved the restructuring of the Employee Benefits Program, which includes the Civic Employees' Pension Plan. The Program is expected to become jointly trusteed, with current and future surpluses or deficits being shared equally between the City and Plan members. The City's share of the surplus will be available to finance contribution holidays or reductions of its contributions. The Plan members' share of the surplus will be available to improve benefits or reduce Plan members' contributions. The proposed restructuring of the Program will likely require legislative amendments to **The City of Winnipeg Act** and Court approval, and is subject to the approval of regulatory authorities, which approvals and amendments have yet to be received.

Under the restructured Program, plan benefits are expected to be improved, with retroactive application to January 1, 2000, utilizing approximately $157 million of the Plan members' share of the actuarial surplus disclosed in the December 31, 1998 actuarial valuation of the Program.

Under the restructured Program, the contribution rate for The City of Winnipeg and participating employers will not exceed 8% of pensionable earnings, whereas under the existing provisions, Plan members contribute at the required rate and the employer is responsible for the balance of costs as determined by the Plan's actuary.

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To facilitate the implementation of certain benefit improvements to Plan members and provide access to contribution holidays to the City, on November 22, 2000, City Council and all of the Unions representing employees in the Employee Benefit Program approved an amendment to the Program in accordance with the terms of an Interim Arrangement effective January 1, 2000.

Under the Interim Arrangement, the Plan members were provided with an interim allocation of actuarial surplus, as determined at December 31, 1998, in the amount of $150 million to finance benefit improvements. The residual portion of the allocation not yet used for benefit improvements is accounted for in a newly created Plan Members' Account.

In the event Joint Trusteeship is not accomplished, the benefit improvements related to future service would cease on December 31, 2002, and benefits would accrue thereafter based on the former plan provisions, unless alternate agreements are reached.

The City and participating employers were provided with an interim allocation of actuarial surplus, as determined at December 31, 1998, in the amount of $150 million to finance future contribution holidays below matching levels and refund of 1998 and 1999 employer contributions. The portion of this allocated surplus which remains unutilized is accounted for in a newly created City Account.

To the extent that the City and participating employers contribute to the Plan and the Civic Employees' Long Term Disability Plan at less than matching levels for any year, transfers in the amount of the difference will be made to the Regular and Supplementary Accounts as required to reflect this contribution subsidy.

In 2000, the City made no contributions to the Civic Employees' Pension Plan. The balance of the City Account as at December 31, 2000 is $131 million.

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Future cost of living increases	52,865	48,497
	$ 77,787	$ 69,877

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In 2000, contributions made by the City to the Winnipeg Police Pension Plan were $5.0 million (1999–$5.0 million).

c) Councillors' Pension Plan

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20. Property and Liability Insurance

The City purchases comprehensive insurance coverage for property and liability with a self-insured retention level of $250 thousand per claim for most of the policies. The City has established an Insurance Reserve Fund that enables the City to carry a large self-insured retention level which mitigates the effect of poor claims experience in any given year. The balance of the reserve as at December 31, 2000 is $9.3 million (1999–$8.6 million).

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22. Comparative Figures

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Consolidated Financial Statements: Five-Year Review

As at December 31 ("$" amounts in thousands of dollars, except as noted) (Unaudited)	2000	1999	1998	1997	1996
1. Population (as restated per Statistics Canada)	629,800	628,300	627,000	627,800	629,700
Unemployment rate (per Statistics Canada)					
Winnipeg	5.3%	5.8%	5.6%	7.3%	8.1%
National Average	6.8%	7.6%	8.3%	9.1%	9.6%
2. Average total employees	8,946	9,178	9,209	9,330	9,493
3. Number of taxable properties	192,792	189,519	188,969	187,708	186,963
Payments-in-lieu–number of properties	898	834	845	829	832
4. Assessment					
Residential	$ 17,641,656	17,486,001	17,325,214	17,064,597	16,952,877
Commercial and Industrial	5,295,751	5,202,799	5,199,324	5,545,827	5,552,811
Farm	108,943	113,363	118,976	154,676	157,621
	$ 23,046,350	22,802,163	22,643,514	22,765,100	22,663,309
Assessment per capita (in dollars)	$ 36,593	36,292	36,114	36,262	35,991
Commercial and industrial as a percentage of assessment	22.98%	22.82%	22.96%	24.36%	24.50%
5. Tax arrears	$ 48,333	47,332	39,687	43,411	42,265
6. Tax arrears per capita (in dollars)	$ 76.74	75.33	63.30	69.15	67.12
7. Municipal mill rate	32.809	33.479	33.479	32.966	32.342
Percentage change adjusted for portioning and reassessment	–2.00%	–0.40%	1.13%	2.00%	–0.54%
8. Winnipeg consumer price index (annual average)					
1992 Base Year 100	118.10	115.30	113.00	111.50	109.20
Percentage increase	2.43%	2.04%	1.35%	2.11%	2.06%
9. Consolidated revenue					
Taxation	$ 488,334	485,786	479,652	477,030	465,349
User charges	409,474	402,968	392,884	381,164	366,503
Government transfers	92,530	96,318	140,825	148,111	149,299
Interest and other revenue	86,460	57,894	37,560	33,423	39,164
	$ 1,076,798	1,042,966	1,050,921	1,039,728	1,020,315
10. Consolidated expenses by function					
Municipal operations	$ 599,983	612,043	658,005	640,097	632,155
Public utilities	320,327	335,857	309,735	314,484	360,138
Civic Corporations	26,566	26,576	25,263	24,863	24,051
	$ 946,876	974,476	993,003	979,444	1,016,344
11. Growth in surplus for the year	$ 31,577	26,634	21,226	27,374	6,492
Growth (reduction) in reserves for the year	$ 98,345	41,856	36,692	32,910	(2,521)

(Note: In 1998, the City conducted a general reassessment which moved from a 1991 level of value to a 1996 level of value.)

(Note: The 2000 and 1999 figures for Tax arrears include payments-in-lieu of taxes.)

(Note: In 1999, the City began to accrue retirement allowance, environmental and vacation liabilities. Figures prior to 1998 have not been restated.)

Consolidated Financial Statements: Five-Year Review (continued)

As at December 31 ("$" amounts in thousands of dollars, except as noted) (Unaudited)	2000	1999	1998	1997	1996
12. Consolidated expenses by object					
Salaries and benefits	$ 435,028	449,514	437,385	435,898	434,072
Goods and services	299,586	310,958	276,583	265,455	285,001
Debt interest and repayment	189,312	182,818	183,176	177,646	177,857
Grants and other expenses	22,950	31,186	95,859	100,445	119,414
	$ 946,876	974,476	993,003	979,444	1,016,344
13. Payments to school authorities	$ 380,905	368,963	356,771	356,234	348,008
14. Long-term debt					
Tax-supported	$ 636,340	741,286	692,796	716,051	659,111
Transit	42,782	45,951	46,115	46,273	44,853
City-owned utilities	419,517	420,272	393,400	408,955	395,555
Other	41,881	41,811	39,590	42,577	37,260
Total gross debt	1,140,520	1,249,320	1,171,901	1,213,856	1,136,779
Less: Sinking Fund	353,101	345,859	291,164	270,388	220,908
Total net long-term debt	$ 787,419	903,461	880,737	943,468	915,871
Percentage of total assessment	3.42%	3.96%	3.89%	4.14%	4.04%
15. Long-term debt servicing costs					
Tax-supported	$ 90,837	91,891	91,091	87,894	90,507
Transit	6,078	6,136	6,138	6,019	6,115
Utilities and all other	59,125	58,528	56,877	57,812	57,695
Total costs	$ 156,040	156,355	154,106	151,525	154,317
Per capita (in dollars)	$ 247.76	248.85	245.78	241.36	245.06
Percentage of total expenses	16.48%	16.05%	15.52%	15.47%	15.18%
16. Capital assets purchased during the year					
General municipal purposes	$ 63,769	81,350	93,408	82,742	85,391
Utilities and other	18,685	44,246	19,376	25,986	29,287
	$ 82,454	125,596	112,784	108,728	114,678
17. Capital financing during the year					
Debenture debt issued	$ 30,000	80,000	—	90,000	70,000
Grants	20,274	28,979	42,939	44,257	20,278
	$ 50,274	108,979	42,939	134,257	90,278
18. Reserves and Surplus					
Reserves	$ 278,964	180,619	138,763	102,071	69,161
Surplus	$ 241,146	209,589	182,935	252,337	224,963
19. Area in acres at the end of the year	116,000	116,000	116,000	116,000	116,000
20. Construction					
Permits issued	7,893	7,701	7,820	6,542	6,448
Value	$ 475,691	504,158	499,975	352,942	296,823
Housing starts	1,044	1,127	1,304	1,237	1,007

Consolidated Financial Statements: Five-Year Review

As at December 31 ($ amounts in thousands of dollars, except as noted) (Unaudited)	**2000**	1999	1998	1997	1996
1 Population (as restated per Statistics Canada)	**629,800**	628,300	627,000	627,800	629,700
Unemployment rate (per Statistics Canada)					
Winnipeg	**5.3%**	5.8%	5.6%	7.3%	8.1%
National Average	**6.8%**	7.6%	8.3%	9.1%	9.6%
2 Average total employees	**8,946**	9,178	9,209	9,330	9,493
3 Number of taxable properties	**192,792**	189,519	188,969	187,708	186,963
Payments-in-lieu–number of properties	**898**	834	845	829	892
4 Assessment					
Residential	**$ 17,641,656**	17,486,001	17,325,214	17,064,597	16,952,877
Commercial and Industrial	**5,295,751**	5,202,799	5,199,324	5,545,827	5,552,811
Farm	**108,943**	113,363	118,976	154,676	157,621
	$ 23,046,350	22,802,163	22,643,514	22,765,100	22,663,309
Assessment per capita (in dollars)	**$ 36,593**	36,292	36,114	36,262	35,991
Commercial and industrial as a percentage of assessment	**22.98%**	22.82%	22.96%	24.36%	24.50%
5 Tax arrears	**$ 48,333**	47,332	39,687	43,411	42,265
6 Tax arrears per capita (in dollars)	**$ 76.74**	75.33	63.30	69.15	67.12
7 Municipal mill rate	**32.809**	33.479	33.479	32.966	32.342
Percentage change adjusted for portioning and reassessment	**–2.00%**	–0.40%	1.13%	2.00%	–0.54%
8 Winnipeg consumer price index (annual average)					
1992 Base Year 100	**118.10**	115.30	113.00	111.50	109.20
Percentage increase	**2.43%**	2.04%	1.35%	2.11%	2.06%
9 Consolidated revenue					
Taxation	**$ 488,334**	485,786	479,652	477,030	465,349
User charges	**409,474**	402,968	392,884	381,164	366,503
Government transfers	**92,530**	96,318	140,825	148,111	149,299
Interest and other revenue	**86,460**	57,894	37,560	33,423	39,164
	$ 1,076,798	1,042,966	1,050,921	1,039,728	1,020,3[3]
10 Consolidated expenses by function					
Municipal operations	**$ 599,983**	612,043	658,005	640,097	632,155
Public utilities	**320,327**	335,857	309,735	314,484	360,138
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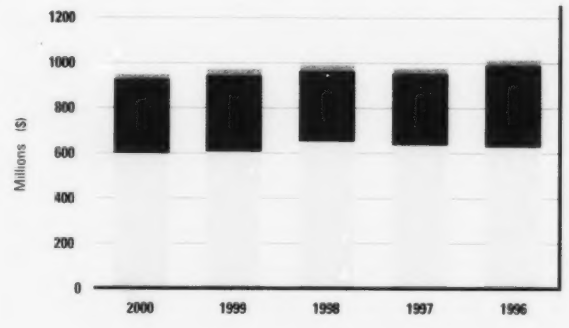
Consolidated Financial Statements: Five-Year Review (continued)

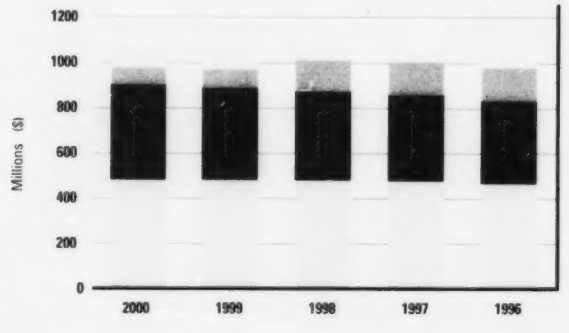
Consolidated Expenses by Function (1)

- Civic Corporations
- Public Utilities
- Municipal Operations



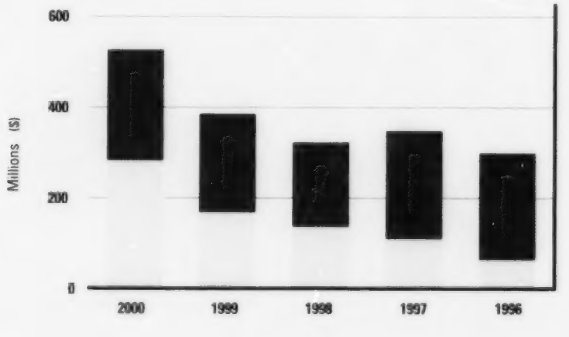
Consolidated Revenues by Source

- Interest and Other Revenue
- Government Transfers
- User Charges
- Taxation



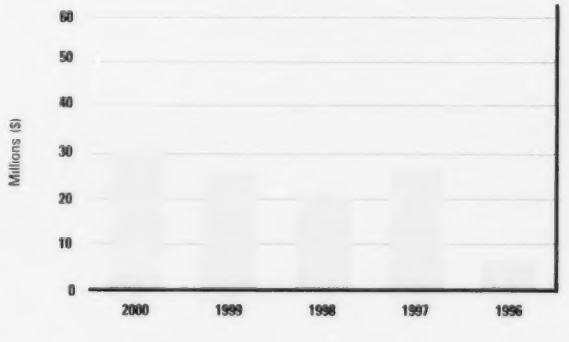
Reserves and Surpluses (1)

- Surplus
- Reserves



Growth in Surplus for the Year (1)

- Surplus

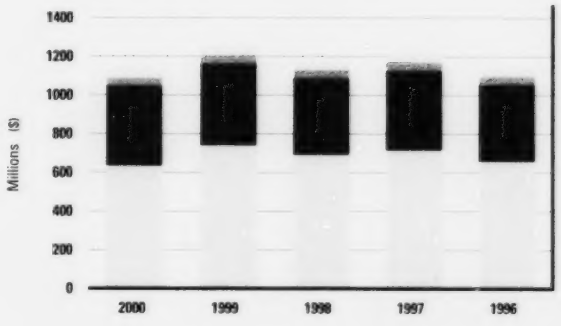


(1) In 1999, the City began to accrue certain employee benefits and environmental liabilities. Figures prior to 1998 have not been restated.

Consolidated Financial Statements: Five-Year Review (continued)

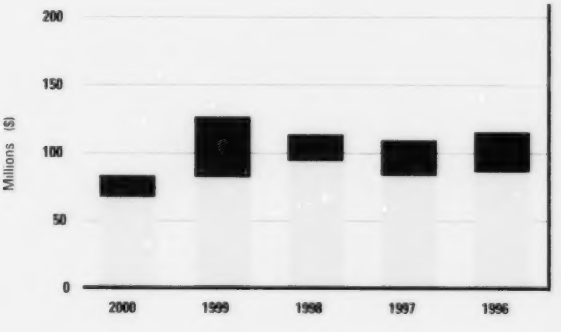
Summary of Consolidated Long-Term Debt

- Transit
- Other
- City-Owned Utilities
- Tax-Supported



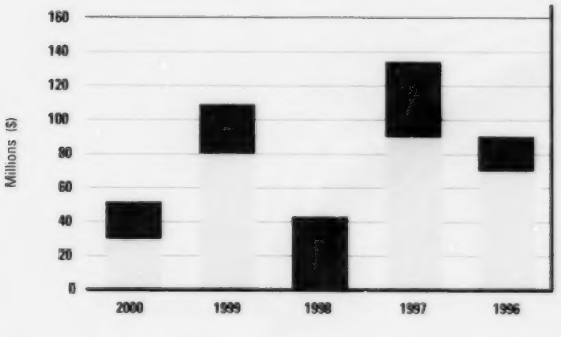
Capital Assets Purchased

- Utilities and Other
- General Municipal Purposes



Sources of Capital Financing

- Grants
- Debenture Debt Issued



Principal Corporate Taxpayers

	Total 2000 Municipal and Business Taxes (in millions of dollars)
Centra Gas Manitoba Inc.	
Ontrea Inc.	
OPB Realty Inc.	
Canadian National Railway Co.	
North Portage Development Corp.	

Key city contacts

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Ed Van Mierlo
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Allan Smeall
Corporate Risk Manager
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Fax: (204) 986–6132

The City of Winnipeg's Detailed Financial Statements for 2000 are available as a companion document to the Annual Report.

The City of Winnipeg
Home Page can be found at:
http://www.city.winnipeg.mb.ca